

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. NO.: 1698-02  
BILL NO.: SCS for HB 642  
SUBJECT: Jail Districts: Sales Tax  
TYPE: Corrected  
DATE: April 13, 2001  
 #To add "subject to appropriation"

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	Unknown to (\$1,500,000)	Unknown to (\$1,500,000)	Unknown to (\$1,500,000)
<b>Total Estimated Net Effect on <u>All</u> State Funds#</b>	<b>Unknown to (\$1,500,000)</b>	<b>Unknown to (\$1,500,000)</b>	<b>Unknown to (\$1,500,000)</b>

#Subject to Appropriation

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
<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 LOCAL FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
<b>Local Government</b>	<b>\$0 to \$1,500,000</b>	<b>\$0 to \$1,500,000</b>	<b>\$0 to \$1,500,000</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 5 pages.

## FISCAL ANALYSIS

### ASSUMPTION

#### SECTION 221.120- PRISONER MEDICAL REIMBURSEMENT:

Officials from the **Office of State Courts Administrator** assume the proposed legislation would require the state to reimburse counties for medical expenses paid for convicted inmates' care during jail stay. The general rule has been that, when the state has a statutory obligation to pay, and there is no clear agency responsibility, it becomes an Office of Administration function.

Officials from the **Office of Administration** assume, based on information obtained from the Department of Corrections, it is estimated that at any time there may be as many as 15,000 prisoners in county jails that ultimately will be sentenced and delivered to the State Department of Corrections. It is not known what the average cost of medical services provided to such prisoners might be. A conservative estimate of \$100 per prisoner would increase the state's annual criminal bill of cost payment by \$1,500,000.

Officials from the **Office of Greene County Sheriff** assume the proposed legislation would provide annual savings to Greene County of over \$200,000, resulting from savings in the staff physician and corrections officers' salaries and reduced outside medical expense.

In response to a similar proposal from the 2000 session (SB 892), officials from the **Office of Attorney General** assumed the proposed legislation would have no fiscal impact on their agency.

In response to a similar proposal from the 2000 session (SB 892), officials from the **Office of Cole County Sheriff** assumed the proposed legislation will provide an annual savings in medical costs of \$55,000 with an adjustment for inflation at the rate of approximately 4.5% in subsequent years.

In response to a similar proposal from the 2000 session (SB 892), officials from the **St. Louis County Correctional Medical Facility** assumed 10% of their patients represent state offenders being held by the county. During 1999, the cost of health services for the facility totaled \$3,012,342.

**Oversight** assumes the costs to treat state offenders at the St. Louis County Correctional Medical Facility (\$301,234), as well as the medical costs reported by the Office of Cole County Sheriff and the Office of Greene County Sheriff are included in the estimate provided by the Office of Administration.

ASSUMPTION (continued )

SECTION 221.407- JAIL DISTRICTS

Officials of the **Office of the State Courts Administrator** stated there would be no fiscal impact on the Courts.

Officials from the **Department of Revenue** assume this proposal would have no fiscal impact provided Jail District boundaries include the area within each member county.

Revenue Officials stated if a new jail district is established and the district lines do not follow current city/county boundary lines the Division of Taxation would need one Tax Processing Tech I for each 1,000 businesses located within the district. The MITS system would also need 882 hours of contract programming at a cost of \$ 19,616, in order to implement the new taxing district.

**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 States' 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 Revenues since Collection Fees are included in the General Revenue Fund and general revenues are included in the calculation of Total State Revenue.**

<u>Fiscal Impact - State Government</u>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
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**(10 Mo.)**

**GENERAL REVENUE FUND**

Income - Department of Revenue

1% collection fee

\$0 or unknown

\$0 or unknown

\$0 or unknown

Cost to Office of Administration

<u>Fiscal Impact - State Government</u>	<b>FY 2002</b> <b>(10 Mo.)</b>	<b>FY 2003</b>	<b>FY 2004</b>
for prisoner medical reimbursement#	\$0 to <u>(\$1,500,000)</u>	\$0 to <u>(\$1,500,000)</u>	\$0 to <u>(\$1,500,000)</u>

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND #</b>	<u>Unknown to</u> <u>(\$1,500,000)</u>	<u>Unknown to</u> <u>(\$1,500,000)</u>	<u>Unknown to</u> <u>(\$1,500,000)</u>
	#Subject to Appropriation		

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

<b><u>Income</u></b> to Certain Counties Reimbursement from State for prisoner medical expenses#	\$0 to <u>\$1,500,000</u>	\$0 to <u>\$1,500,000</u>	\$0 to <u>\$1,500,000</u>
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**JAIL DISTRICTS**

<b><u>Income</u></b> to Regional Jail Districts from Sales Tax Trust Fund	Unknown	Unknown	Unknown
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<b><u>Cost</u></b> to Regional Jail Districts Operations	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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<b><u>Estimated Net Fiscal Impact to Jail Districts</u></b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<b>ESTIMATED NET EFFECT TO LOCAL GOVERNMENTS#</b>	\$0 to <u>\$1,500,000</u>	\$0 to <u>\$1,500,000</u>	\$0 to <u>\$1,500,000</u>
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FISCAL IMPACT - Small Business

Small business 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 would authorize Regional Jail Commissions to have a 1/8%, 1/4%, 3/8% or 1/2 of

L.R. NO. 1698-02  
BILL NO. SCS for HB 642  
PAGE 5 OF 5  
April 13, 2001

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 District Sales Tax Trust Fund and its operation. The provisions of this proposal will expire August 28, 2015

Section 221.120 would require the state to pay counties for necessary and reasonable medical expenses in addition to the per diem cost of incarceration of state prisoners.

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

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SOURCES OF INFORMATION

Department of Revenue  
Office of the State Courts Administrator  
Office of Administration  
Office of Attorney General  
Greene County Sheriff  
Cole County Sheriff  
St .Louis County Correctional Medical Facility



Jeanne Jarrett, CPA  
Director  
April 13, 2001