

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

LR No.: 0883-09
Bill No.: Perfected SS for SCS for SB 210
Subject: Political Subdivisions
Type: Original
Date: March 1, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
General Revenue	Unknown	Unknown	Unknown
Total Estimated Net Effect on General Revenue Fund	Unknown	Unknown	Unknown

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
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 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

The following State Departments assume no fiscal impact, **Departments of Transportation, Natural Resources, and Economic Development**

Officials of the **City of Springfield** assume no fiscal impact from this proposal.

Section 50.530: Defining an Accounting Officer:

In response to fiscal note 1088-01 of this session, the following responses were issued:

Officials of the **Cass County Commission** assume no fiscal impact.

Oversight assumes no state or local fiscal impact.

Section 64.215: Cass County - County Planning Board:

In response to fiscal note 1090-01 of this session the following fiscal impact statements were issued:

Officials of the **Cass County Commission** assume no fiscal impact.

ASSUMPTION (continued)

Section 67.1159: St. Charles County Convention and Sports Facilities Authority

Oversight received no response from St. Charles County, however, this section allow the Authority to attach a lien for non-payment of taxes.

Oversight assumes this would facilitate the collection of delinquent taxes for the Authority. Oversight assumes no fiscal impact.

Section 67.1305 City/County Local Economic Development Empowerment Act:

This section would allow any city/county, with voter approval, to impose a sale tax that could not exceed one-half of one percent on all retail sales. The tax could only be used for promoting economic development.

Officials of the **Department of Revenue** assume they would retain a 1% collection fee.

Section 67.1775: Community Services for Children Sales Tax:

In response to identical legislation of this session, fiscal note 1197-02 SB 238, the following fiscal impact estimates were issued.

Officials with the **Department of Revenue (DOR), Department of Social Services, State Treasurer's Office, and Jasper County** assume this proposal would have no fiscal impact on their agencies.

Officials with **Jefferson County** assume this proposal could result in positive fiscal impact as a result of the elimination of cots related to their community children's service fund sales tax collections. Oversight assumes the 1% collection fee imposed by DOR to collect the tax would offset such savings.

Oversight assumes this proposal stipulates that the Director of Revenue shall administer, collect, and disburse funds collected for the community children's services sales tax that counties are enabled to enact. Oversight further assumes that Jefferson County and St. Charles County have enacted such sales taxes, and that other counties are eligible to do so, pending approval of their voters.

ASSUMPTION (continued)

Oversight assumes that the DOR would levy a 1% collection fee on the sales taxes relating to this proposal. However, such revenues would be offset by increased personnel, systems modification and programming, and other collection costs. Oversight cannot speculate as to how counties will seek and attain voter approvals for this tax, thus, it cannot estimate the amount of sales tax collections generated.

Section: Chapter 67: Definition of County and Municipality:

This section changes the definition of County and Municipality in Chapter 67.

Oversight assumes no state or local fiscal impact.

Section 115.019 - Cass County: Formation of Board of Election Commission:

In response to fiscal note 1091, SB 257, the following fiscal impact statements were issued.

Officials of the **Cass County Commission** assume no fiscal impact.

Oversight assumes this provision is discretionary, and would require voter approval before fiscal impact would be realized. Oversight assumes no state fiscal impact.

Sections 137.071 and 137.122 Procedures for Taxing Business Personal Property, and Procedures for Tax Commission to follow when appeals on Business Personal Property Tax are Filed

Officials of the **Missouri State Tax Commission** assume no fiscal impact to the Commission and assume no local fiscal impact from these sections.

Section 137.115 - City of Pacific

Oversight assumes this provision allows the City of Pacific to opt out of the provisions of HB 1150 (2002 session). **Oversight** assumes no state or local fiscal impact.

ASSUMPTION (continued)

Section 205.010 - Cass County - Public Health Center:

In response to identical legislation fiscal note 1089-01, SB 258 the following fiscal impact statements were issued:

Officials of the **Cass County Commission** assume no fiscal impact.

Oversight assumes current law would allow Cass County to place the ballot the question of establishing a health center in Cass County, but only by petition. This proposal would allow a majority of the Cass County Commission to place the question on the ballot. Oversight assumes this is enabling legislation and would have no fiscal impact without action by the governing body. Oversight assumes no State or Local fiscal impact.

Sections 488.426 & 488.429 - Counties Renovation Bonds:

In response to identical legislation fiscal note 0055-02 of this session, the following fiscal impact statements were issued.

Officials of the **Office of State Courts Administrator** assume no fiscal impact on the Courts.

Oversight assumes this proposal would have no state or local fiscal impact. Local fiscal impact would occur after December 31, 2014, which is beyond the scope of this fiscal note.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
GENERAL REVENUE FUND			
<u>Income</u> – DOR			
1% Collection Fees (67.1775)	Unknown	Unknown	Unknown
<u>Income</u> - DOR			
1% Collection Fee (67.1305)	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
ESTIMATED NET EFFECT TO GENERAL REVENUE FUND	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
CITY/COUNTY GENERAL REVENUE FUND			
<u>Savings</u> – Reduced Tax Collection Costs	Unknown	Unknown	Unknown
<u>Cost</u> – DOR 1% Collection Fees	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON LOCAL GOVERNMENT (Section 67.1775)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
CITY/COUNTY COMMUNITY CHILDREN’S SERVICES FUND			
<u>Income</u> to Children’s Services Fund from sales tax (section 67.1775)	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Cost</u> to Children’s Services Fund providing children services (67.1775)	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
ESTIMATED NET EFFECT TO CITY/COUNTY CHILDREN’S SERVICES FUND (Section 67.1775)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
CITY/COUNTY LOCAL ECONOMIC DEVELOPMENT EMPOWERMENT FUND			
<u>Income</u> to Economic Development Fund from sales tax (Section 67.1305)	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<u>Cost</u> to Economic Development Fund providing economic development projects (Section 67.1305)	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>(\$0 to (Unknown))</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
ESTIMATED NET EFFECT TO CITY/COUNTY LOCAL ECONOMIC DEVELOPMENT EMPOWERMENT FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses located within cities or counties that would receive voter approval to impose sales taxes would be expected to collect and administer the sales tax.

DESCRIPTION

This proposal makes changes to laws that relate to political subdivisions and creates new laws that relate to political subdivisions.

Section 44.090 - provides procedures that political subdivisions are to follow when providing emergency . Contracts would be required to have a sixty-day cancellation provision.

Political subdivisions are given the responsibility of adopting and putting into practice the National Incident Management System promulgated by the United States Department of Homeland Security. In the event of a disaster that is beyond the capabilities of the local political subdivisions the governing body could ask of assistance pursuant this proposal.

Section 50.530 - This act defines an "accounting officer" as the County Auditor in counties of the first and second classification and county clerks in counties of the third and fourth classification. Currently, the statute uses out-of-date terminology to classify counties.

This act also defines a "Budget Officer" as a person appointed by the County Commission of counties of the first classification or the Presiding Commissioner in Cass County and counties of the second classification, unless the commission designates the County Clerk. The "budget officer" in counties of the third and fourth classification is the County Clerk. Currently, the statute provides that the Presiding Commissioner is the "Budget Officer" only in counties of the second classification.

DESCRIPTION (continued)

When purchasing supplies for the conduct of business of the county, purchasing agents would give preference to supplies manufactured in the United States of America.

Section 55.160 raises the dollar value of property for which the county auditor in first and second classification counties is required to inventory

Section 64.215 - This act requires that the County Commissioner and County Highway Engineer, as members of the County Planning Board, be nonvoting members in Cass County.

Currently, these individuals are members on the board with voting power in Cass County.

Section 64.940 provides that any County Sports Complex Authority operating pursuant to section 64.940 and is located in a county with a Charter form of government with more than six hundred thousand but fewer than seven hundred thousand inhabitants (Jackson County) would be required to take competitive bids on purchases over five thousand dollars.

Section 67.055 provides that after September 1, 2005 no fund would be created to be used as a depository for money received or collected to fund activities for any county office. Expenses incurred by any county office, excluding any moneys collected under any section in effect before September 1, 2005 would be deposited in the General Revenue Fund of the County.

Section 67.1159 - This act allows the St. Charles County Convention and Sports Facilities Authority to attach a lien for non-payment of taxes.

Section 67.1305 extends the ability to impose an economic development sales tax to all counties or cities within a county. This section creates the Local Economic Development Empowerment Act.

Section 67.1775 - Currently, the governing body of St. Louis or any county, may after voter approval, levy a sales tax not to exceed one-quarter of a cent in the county for the purpose of providing services, including counseling, family support, and temporary residential services to persons nineteen years of age or less. This act would allow the Department of Revenue to collect the "Community Services for Children Sales Tax". Also, it rephrases the ballot language In the City of St. Louis revenues generated would be placed in a special fund to be administered by a board established by law.

DESCRIPTION (continued)

Section 67.1850 - This act changes the definition of county and municipality in Chapter 67, RSMo, concerning political subdivisions.

Section 67.2535 would allow the County of St. Charles to conduct and pay for the monitoring of blasting operations anywhere in the county.

Section 110.130 changes the month from May to April that County Commissions would receive bid proposals from banking corporations or associations that want to be the County's depository.

Section 115.019 - This act authorizes the Cass County Commission to seek the formation of a board of election commissioners in Cass County. Upon majority vote of the Commission, the question of whether to form a board of election commissioners in Cass County shall be placed on the ballot.

Section 137.071 Tax Assessment Appeals :

Provides for a procedure to be followed by State Tax Commission whenever an appeal has been filed on business personal property tax.

Section 137.115 - This act provides that a political subdivision, contained within two or more counties where at least one of the counties has not opted out of the provisions of HB 1150 (2002) and at least one such county has opted out, will calculate a single tax rate as in effect prior to the enactment of HB 1150.

Section 137.122 - Requires all Assessors to use a method of valuing business personal property according to State Tax Commission rule.

Section 137.130 This act provides that whenever an Assessor or an employee has insufficient information to assess any real property, he or she shall assess the property based upon physical inspection. In order to do so, the Assessor or an employee shall have the right to enter into any lands for the purpose of assessing the real or personal property. The Assessor may not enter the interior of a structure on residential property for the inspection.

Section 205.010 - Currently, any county may operate a public health center. Whenever the County Commission is presented with a petition signed by at least 10% of the voters asking that an annual tax be levied the county shall submit the question to the voters at an election.

DESCRIPTION (continued)

In addition to the current method, this act would require the Cass or Cooper County Commission to submit the question of establishing a public health center to the voters if the Commission, by a majority vote, chose to do so.

Section 233.295 provides for the dis-incorporation of road districts in Barry and Christian counties.

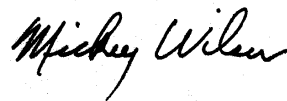
Section 263.245 allows Schuyler County a system of clearing brush along county roads under certain circumstances. If after notice to the person owning the property does not clear county right-of-way the county may clear the brush and the cost to be extended to the owners county tax bill.

Sections 488.426 & 488.429 - Currently, there is an expiration date on all of Section 488.429, RSMo. This act limits the expiration date of December 31, 2014, to the provision allowing for debt service on county bonds for renovation and enhancement projects. The additional \$10 fee for Franklin and Jasper Counties in Section 488.426 will expire on December 31, 2014.

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 State Treasurer
Department of Economic Development
Department of Natural Resources
Missouri Department of Transportation
Department of Revenue
State Tax Commission
Department of Social Services
Office of State Courts Administrator
Cass County Commission
City of Springfield
Jefferson County Commission
Jasper County Commission



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