

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

LR No.: 0883-11  
Bill No.: HCS for SS for SCS for SB 210  
Subject: Political Subdivisions  
Type: Original  
Date: April 21, 2005

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
General Revenue	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0 or Unknown</b>	<b>\$0 or Unknown</b>	<b>\$0 or Unknown</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Downtown Revitalization Preservation	\$0	\$0	\$0
<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 25 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</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 LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>
<b>Local Government</b>	<b>(\$396,000 to Unknown)</b>	<b>Unknown to (Unknown)</b>	<b>Unknown to (Unknown)</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

The following State Departments assume no fiscal impact, **Departments of Transportation, Natural Resources, Department of Conservation, Department of Labor and Industrial Relations,** and the **Office of Attorney General.**

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

**Section 34.070 - State Purchasing:**

Officials of the **Office of Administration - Purchasing Division** stated that by adding a preference of five percent, the cost of goods and services is likely to increase as the bids will no longer be awarded to the lowest and best bidder.

Officials of the **Department of Social Services** assumes the preference in purchasing rule could increase costs for the department and other state agencies.

**Oversight** assumes the provisions of this section are permissive, and does not require state agencies to give such preference in purchases, therefore, **Oversight** assumes no fiscal impact.

ASSUMPTION (continued)

**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.

**Sections 50.1030 and 50.1031 County Employees Retirement System - Benefits:**

The **Joint Committee on Public Employee Retirement (JCPER)** has reviewed this proposal and has determined an actuarial study is not needed under the provisions of section 105.660, subdivision (5).

Officials from the **Local Government Employees Retirement System and County Employees Retirement System** assume no fiscal impact to their agency.

**Sections 54.010, 54.280 etal. - Consolidates Tax Collections in Township Counties:**

Officials of the **Office of Henry County Treasurer-Collector** assumes this proposal would have annual savings of approximately \$33,280.

Officials of the **Nodaway County Clerk's Office** assume this proposal would promote greater efficiency by centralizing tax collections. Officials assume there would be administrative savings in staff time, and paperwork and errors. Currently the county has 15 individual Collectors. Officials believe that tax dollars could be distributed in a more timely fashion, thereby aiding the taxing authorities. Officials estimated that the fees retained for collecting taxes would now be retained by the County, and would be sufficient to pay for any additional expenses of the new office of Collector-Treasurer.

Officials of the **Livingston County Clerk's Office** estimates the 3% collection fee would generate approximately \$136,000 annually. Officials assume the cost of operations would be reduced because instead of processing 13 individual tax books now only one would be required at a central location. Officials assume savings in administration and supplies. Officials concluded there would be no losses incurred.

ASSUMPTION (continued)

Officials of the **Carroll County Clerk's Office** assumes the county would realize approximately \$68,000 annually from the 3% collection fee. Officials assume there would be savings from purchasing supplies, and in administration. Officials stated they have 20 individual Collectors, and assume they would save office costs and staff time in having collections made at a centralized location. Officials concluded they would expect no losses to their county if this proposal were to be adopted.

**Oversight** assumes the loss of tax monies generated by the withholding of ½ of 1% by the various Township County Collector-Treasurers, for mailing tax statements, would be offset by the individual Township Collector no longer retaining a fee for salary.

**Oversight** assumes there would be no fiscal impact to the State's Blind Pension Trust Fund, or to local taxing authorities, such as school districts, road districts, library districts, etc.

**Oversight** notes that under the current method of collection of tax revenues in township counties, the Ex-Officio Collector retains for salary a collection fee of 2% for collecting delinquent taxes, and retains a 3% collection fee on all licenses, current taxes, etc. This proposal would transfer the monies generated from retaining these fees to the individual township counties' General Revenue Fund.

**Sections 56.060 - 56.660 County Counselor:**

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

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

**Oversight** assumes this section is permissive. Section 56 allows all counties at their discretion, to appoint a County Counselor to enforce county rules, ordinances, or regulations, and in all matters of civil law. Oversight assumes since this proposal would allow all counties to appoint a County Counselor, that those counties that would appoint a counselor would be allowed to impose a civil fine that could not exceed \$1,000 for each violation of the county's rules, ordinances, and regulations as provided for in Section 49.272 RSMo. Oversight assumes the civil fines would be deposited in the County's General Revenue Fund as required in Section 49.272 RSMo. Oversight assumes the revenue from fines could only be used to defray the costs of enforcement of county rules, regulations, or ordinances.

ASSUMPTION (continued)

**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.

**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.

ASSUMPTION (continued)

**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.

**Oversight** assumes that the DOR would charge 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 many counties will seek and attain voter approvals for imposing this tax, thus, it cannot estimate the amount of sales tax collections generated.

**Sections 67.1922 - 67.1934 Sales Taxes for Water Quality, Tourism, and Infrastructure:**

Officials of the **Department of Revenue - Sales Tax Division** assume no fiscal impact to the department.

**Oversight** assumes that this proposal allows the same counties to impose one or more sales tax with voter approval for the purposes of water quality, infrastructure, or tourism. Current law allows only one sales tax to be imposed for the same purposes. Oversight assumes since the maximum sales tax allowed remains the same at one and one-half percent in the aggregate, there would be no fiscal impact. Oversight assumes this section is permissive and would require action by the governing body with voter approval before fiscal impact would be realized.

**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 94.270 License Fee on Hotels and Motels in the Cities of St. Peters and Berkeley:**

Officials of the **City of St. Peters** stated that the city currently receives an estimated \$400,000 annually from the license fee on hotels and motels. Officials stated this proposal would cause a decrease in revenue of approximately \$396,000 annually.

Officials of the **City of Berkeley** stated that currently the city does not assess a license fee on hotels and motels, therefore, officials assume no fiscal impact.

ASSUMPTION (continued)

**Sections 99.1080 thru 99.1092 - Downtown Revitalization Preservation Program:**

**In response to identical legislation, state agencies submitted the following fiscal impact statements:**

Officials from the **Department of Revenue** and the **Office of the State Treasurer** each assume the proposal would not fiscally impact their respective agencies.

In response to a previous version of this proposal, officials from the **Office of Secretary of State (SOS)** assumed there would be costs due to additional publishing duties related to the Department of Economic Development's authority to promulgate rules, regulations, and forms. SOS estimated the division could require approximately 4 new pages of regulations in the Code of State Regulations at a cost of \$27.00 per page, and 6 new pages in the Missouri Register at a cost of \$23.00 per page. Costs due to this proposal are estimated to be \$246, however, the actual fiscal impact would be dependent upon the actual rule-making authority and may be more or less. Financial impact in subsequent fiscal years would depend entirely on the number, length, and frequency of the rules filed, amended, rescinded, or withdrawn. SOS does not anticipate the need for additional staff as a result of this proposal, however, the enactment of more than one similar proposal may, in the aggregate, necessitate additional staff.

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Office of Administration - Budget and Planning** deferred to the Department of Economic Development.

Officials from the **Department of Economic Development (DED)** stated the bill creates \$15 million annually in TIF funding that comes from new revenue. DED is allowed to recover costs of reviewing projects. DED does not project initial costs but anticipates asking for a budgeted position and expenditure authority through the normal budget cycle as the program grows.

DED makes no assumption with regard to fiscal and has no administrative impact at this time.

ASSUMPTION (continued)

DED officials assume they would need one Economic Development Incentive Coordinator plus expenses to administer the Downtown Revitalization Preservation Program. DED assumes that any revenue from the sale of the Workforce Development property would be required to be reinvested in other Workforce Development facilities or the funds would revert back to the Federal government. DED officials estimate the costs of (1) FTE Coordinator, plus equipment and expense at \$71,760 in FY 2006; \$79,121 in FY 2007; and \$81,161 in FY 2008.

**Oversight** would point out that in fiscal note 2076-03 of this session, which is identical, DED officials did not request additional FTE, however, they did say that as the program developed they would request additional FTE through the normal budget cycle. Therefore, Oversight assumes no fiscal impact from additional FTE.

**Oversight** assumes this program will annually transfer up to \$15 million of the new state revenues received as a result of the projects back to the local political subdivisions, much like the current tax increment financing programs and the Missouri Downtown Economic Stimulus Act. It is indeterminable whether the developments within the projects would have occurred elsewhere in the state, if not but for the implementation of this program. If the development would have occurred elsewhere in the state if not for this proposal, then this program will result in a loss of up to \$15 million in state revenues annually that the state would have been able to keep if not for this proposal. If the developments would not have occurred in the state if not for this program, then the state's loss of up to \$15 million in new revenues that goes back to the local projects will be offset by the up to \$15 million in new revenues the state may receive because of this proposal.

**Oversight** assumes that since the proposal requires the Department of Revenue to annually submit the first \$15 million of other net new revenues generated by developments from the plan into the state downtown revitalization preservation fund, that these monies would not be initially deposited into General Revenue, but rather go directly into their respective funds.

**Oversight** assumes revenue that is received by the local political subdivisions from the new fund may fall short of the project development costs. Oversight will range the fiscal impact to local political subdivisions from \$0 (economic activity taxes meet project development costs) to a negative Unknown (project development costs exceed economic activity taxes).

**Oversight** acknowledges that the proposal is designed to stimulate economic development within the state with the purpose of generating additional future state revenues. However, Oversight cannot determine or estimate the magnitude of the future benefit the state may realize because of these programs.



ASSUMPTION (continued)

**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, 137.122, and 137.130 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** stated that this legislation will require the State Tax Commission to provide no later than August 20 each year to each taxing jurisdiction the total assessed value of business personal property within such jurisdiction for which an appeal is pending. Current Missouri law, provides that appeals from first class counties and the City of St. Louis must be filed with the Commission by August 15<sup>th</sup> or 30 days after the final action of the Board of Equalization. In all other counties, the appeals must be filed by September 30 or 30 days after the final action of the Board, whichever is later. The Commission will only be able to provide information on the appeals filed by August 20<sup>th</sup> each year.

Officials stated that this proposal establishes uniformity in the assessment of business personal property by utilizing a standardized schedule of depreciation.

Officials stated that this proposal clarifies that an Assessor or an employee of the Assessor shall have the right to make a physical inspection of property if the owner fails to give the Assessor a list of the personal property or the Assessor does not have sufficient information to assess the owner's real property.

Officials assume no fiscal impact to the Commission, and stated that impact if any to local officials is uncertain.

**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 137.720 - County Assessment Fund:**

Officials of the **State Tax Commission** assume by requiring counties to deduct capital expenditures and equipment expenses from a year's contribution before computing the three-year average, would reduce funds coming into the County's Assessment Fund. Officials state that on a statewide basis the loss could be significant. Officials stated this section would have no fiscal impact on the Commission.

**Section 198.345 Assisted Living Facilities, Marion and Ralls Counties:**

Officials of the **Department of Social Services** assume there would be no fiscal impact related to the licensing of new assisted living facilities.

**Section 205.010 - Cass County and Cooper 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.

**Section 250.140 - Water Supply Districts, Sewer Districts, Collections:**

Officials of the **Department of Natural Resources** assumes no fiscal impact.

Officials of the **Little Blue Valley Sewer District** assumes no 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.

ASSUMPTION (continued)

**Oversight** assumes that section 488.429 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.

**Oversight** assume that section 488.426 would have fiscal impact to Jasper County. Jasper County Circuit Court is authorized to collect the additional \$10 surcharge, which may be used for family services, courtroom renovation, technology enhancement, or for debt services and the Justice Fund. Authorization would terminate on December 31, 2014. **Oversight** will show unknown income to Jasper County from the collection of this \$10 surcharge.

**Sections 1 and 2: Conveyance of Property in Buchanan and St. Francois Counties:**

Based on responses of other land conveyances, **Oversight** assumes the **Office of Attorney General**, who would approve the form of the instrument of conveyance, and the **Commissioner of Administration** who would set the terms and conditions for the sale, would have no fiscal impact to their offices. **Oversight** assumes that the State would receive the full value of the property being conveyed, therefore, there would be no fiscal impact.

**Section 4: Madison County Sales Tax for Recreational Purposes:**

**Oversight** assumes this proposal is permissive and would require action by the County's governing body, and with voter approval.

**Oversight** assumes if the voters were to approve by vote, a sales tax that could not exceed 1%, the State Department of Revenue would collect the tax and would retain a 1% collection fee, which would be deposited in the State's General Revenue Fund. The amount of revenue generated from the collection fee is indeterminable and unknown.

The county would receive an unknown amount of revenue from the sales tax, and would have unknown costs of providing recreational projects. **Oversight** assumes the county would not spend more than it receives annually, which would result in a recreational fund balance of either \$0 or a positive unknown.

FISCAL IMPACT - State Government                      FY 2006                      FY 2007                      FY 2008  
 (10 Mo.)

**GENERAL REVENUE FUND**

**Income** – DOR

1% Collection Fees (67.1775)                      \$0 or Unknown    \$0 or Unknown    \$0 or Unknown

**Income** - DOR

1% Collection Fee (67.1305)                      \$0 or Unknown    \$0 or Unknown    \$0 or Unknown

**Income** - DOR

1% Collection Fee (Section 4)                      \$0 or Unknown    \$0 or Unknown    \$0 or Unknown

**Transfer In** - from the Downtown  
 Revitalization Preservation fund for  
 recoupment of expenses incurred by state  
 agencies (Sections 99.1080 to 99.1092)

\$0 or Unknown    \$0 or Unknown    \$0 or Unknown

**Costs** - DED, DOR

- to administer the Downtown  
 Revitalization Preservation Program  
 (Sections 99.1080 to 99.1092)

\$0 to                      \$0 to                      \$0 to  
(Unknown)                      (Unknown)                      (Unknown)

**ESTIMATED NET EFFECT TO**                      **\$0 or Unknown**    **\$0 or Unknown**    **\$0 or Unknown**  
**STATE GENERAL REVENUE FUND**

**DOWNTOWN REVITALIZATION  
 PRESERVATION FUND**

**Income** - net new revenue from approved  
 projects                      \$0 to                      \$0 to                      \$0 to  
    \$15,000,000                      \$15,000,000                      \$15,000,000

**Transfer Out** - to General Revenue Fund  
 for recoupment of expenses from DOR  
 and/or DED                      \$0 to                      \$0 to                      \$0 to  
    (Unknown)                      (Unknown)                      (Unknown)

**Costs** - to Municipalities for development  
 projects                      \$0 to                      \$0 to                      \$0 to  
    (\$15,000,000)                      (\$15,000,000)                      (\$15,000,000)

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
<b>ESTIMATED NET EFFECT TO THE DOWNTOWN REVITALIZATION PRESERVATION FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
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**TOWNSHIP COUNTIES - GENERAL  
REVENUE FUND**

<b><u>Income</u></b> to General Revenue Fund From 2% fee on delinquent tax collections. *	\$0	Unknown	Unknown
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<b><u>Income</u></b> to General Revenue Fund From 3% collecton fee retained *	\$0	Unknown	Unknown
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<b><u>Income</u></b> to General Revenue Fund From ½ of 1% fee for mailing	\$0	Unknown	Unknown
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<b><u>Cost</u></b> to General Revenue Fund From additional costs of office expense, personnel costs, etc.	<u>\$0</u>	<u>(\$Unknown)</u>	<u>(Unknown)</u>
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<b>ESTIMATED NET EFFECT TO TOWNSHIP COUNTIES GENERAL REVENUE FUND *</b>	<b>\$0</b>	<b>Unknown</b>	<b>Unknown</b>
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**TOWNSHIP COUNTIES POLITICAL  
SUBDIVISIONS -(TAXING  
AUTHORITIES)**

<b><u>Savings</u></b> to Political Subdivisions from fees retained by Township Collector for salary.	\$0	Unknown	Unknown
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<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
<b>Cost</b> to Political Subdivisions ½ of 1% fee retained by County Collector-Treasurer for mailing of taxes.	<u>\$0</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT TO POLITICAL SUBDIVISION - TAXING AUTHORITIES **</b>	<b><u>\$0</u></b>	<b><u>\$0 or Unknown</u></b>	<b><u>\$0 or Unknown</u></b>
<b>CITY/COUNTY GENERAL REVENUE FUND</b>			
<b>Savings</b> – Reduced Tax Collection Costs	Unknown	Unknown	Unknown
<b>Cost</b> – DOR 1% Collection Fees	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON LOCAL GOVERNMENT (Section 67.1775)</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<b>CITY/COUNTY COMMUNITY CHILDREN’S SERVICES FUND</b>			
<b>Income</b> to Children’s Services Fund from sales tax (section 67.1775)	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<b>Cost</b> 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>
<b>ESTIMATED NET EFFECT TO CITY/COUNTY CHILDREN’S SERVICES FUND (Section 67.1775)</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
 <b>CITY/COUNTY LOCAL ECONOMIC DEVELOPMENT EMPOWERMENT FUND</b>			
<b><u>Income</u></b> to Economic Development Fund from sales tax (Section 67.1305)	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<b><u>Cost</u></b> 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>
 <b>ESTIMATED NET EFFECT TO CITY/COUNTY LOCAL ECONOMIC DEVELOPMENT EMPOWERMENT FUND</b>	 <b><u>\$0</u></b>	 <b><u>\$0</u></b>	 <b><u>\$0</u></b>
 <b>LOCAL POLITICAL SUBDIVISIONS REVITALIZATION PRESERVATION FUND</b>			
<u>Transfer In</u> - from State Revitalization Preservation Fund - to reimburse project development costs	\$0	\$0 to \$15,000,000	\$0 to \$15,000,000
<u>Costs</u> - project development costs for Downtown Revitalization Preservation Program	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
 <b>ESTIMATED NET EFFECT TO THE LOCAL POLITICAL SUBDIVISIONS</b>	 <b><u>(Unknown)</u></b>	 <b><u>\$0 to (Unknown)</u></b>	 <b><u>\$0 to (Unknown)</u></b>





<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
<b>MADISON COUNTY RECREATION TRUST FUND</b>			
<b><u>Income</u> to Recreation Trust Fund</b>			
From voter approved sales tax (section 4)	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
Cost to Recreation Trust Fund			
From providing recreation projects and programs. (section 4)	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
<b>ESTIMATED NET EFFECT TO MADISON COUNTY RECREATION TRUST FUND (section 4)</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<b>COUNTY'S ASSESSMENT FUND</b>			
<b><u>Loss of Revenue</u> to County's Assessment Fund</b>			
From deduction of capital expenditures and equipment expenses before computing 3 year average contribution (section 137.720) ***	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>
<b>COUNTY'S GENERAL REVENUE FUND</b>			
<b><u>Savings</u> to County General Revenue Fund</b>			
From reduction in contribution to Assessment Fund (section 137.720) ***	<b><u>Unknown</u></b>	<b><u>Unknown</u></b>	<b><u>Unknown</u></b>
<b>TOTAL ESTIMATED NET EFFECT TO LOCAL GOVERNMENT</b>	<b><u>(\$396,000 to Unknown)</u></b>	<b><u>Unknown to (Unknown)</u></b>	<b><u>Unknown to (Unknown)</u></b>

Local Government - Fiscal Impact (continued)

**\* Income from commissions withheld prior to this proposal was retained by the Ex-Officio Collector for salary. These withholdings would now go to the county treasury. Oversight assumes fees withheld would be adequate to defray the costs of administration of the office of Collector-Treasurer. Oversight assumes the transfer of tax revenue collection authority would begin on March 1, 2007.**

**\*\*Oversight assumes the fees retained by the Township County Collector for salary would be greater than the fee of ½ of 1% retained by the Collector - Treasurer for mailing tax statements resulting in either an annual \$0 or positive savings for local taxing jurisdictions.**

**\*\*\* The amount of decrease in contribution (savings) to the County's General Revenue Fund is equal to the loss of revenue to the County's Assessment Fund, resulting in \$0 fiscal impact to the county.**

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.

This proposal would impact small businesses that are within a designated development areas as defined by the municipality's authorities. (sections 99.1080 to 99.1092)

DESCRIPTION

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

(1) Authorizes municipalities, townships, counties, and the state to make purchases from Missouri vendors at no more than 5% over the price of foreign vendors (Sections 34.070, 50.750, 65.400, and 71.140, RSMo);

(2) Establishes a statewide mutual aid system for emergencies and details the procedures and responsibilities for political subdivisions and participating agencies, including authorized mutual-aid agreements (Section 44.090);

(3) Designates the Presiding Commissioner of Cass County as the County Budget Officer. Currently, the County Auditor serves as the Budget Officer (Section 50.530);

DESCRIPTION (continued)

(4) Requires that county employees' salaries and benefits be paid only to the extent authorized in the annual budget document and appropriation orders for each county office and requires County Commissions to establish the minimum number of work hours needed for each salary level (Section 50.540);

(5) Allows the board of the County Employees' Retirement System to determine if an additional benefit or enhancement improving the quality of life of future retirees is actuarially feasible. Benefit adjustments cannot be made until the retirement plan is 75% funded. Adjustments cannot be made more than once every 12 months and cannot increase the contribution rate by more than 1%. Adjustments, other than cost-of-living increases, will apply only to active employees (Sections 50.1030 and 50.1031);

(6) Allows capital expenditures and equipment expenses to be deducted from the amounts approved in the prior's year's budget that counties are currently required to provide for the tax maintenance fund (Section 52.317);

(7) Consolidates tax collection in counties having a township organization by eliminating the position of Township Collectors and giving the responsibilities to the former Treasurer Ex Officio Collector, now called the "Collector-Treasurer." Laws generally applicable to County Collectors will apply to County Collector-Treasurers except when they conflict with laws specifically applicable to a County Collector-Treasurer, in which case, those laws will apply (Sections 54.010, 54.280, 54.320, 54.330, 65.110, 65.160, 65.460, 65.490, 65.600, 136.010, 136.160, 137.465, 137.585, 139.120, 139.350, 139.400, 139.420, 139.430, 139.440, 139.450, 139.460, 165.071, 242.560, 245.205, and 301.025);

(8) Raises from \$250 to \$1,000 the value of property for which the County Auditor in first and second classification counties is required to inventory (Section 55.160);

(9) Removes the limitation which currently authorizes only first classification noncharter counties to appoint county counselors (Sections 56.060, 56.060, 56.631, 56.640, 56.650, and 56.660);

(10) Specifies that when the Recorder of Deeds is separate from the Circuit Clerk in counties of the second, third, or fourth classification, the recorder must be paid the statutory compensation (Section 59.044);

(11) Changes the county planning board membership status of the county commissioner and county highway engineer in Cass County from voting members to nonvoting members (Section 64.215);

DESCRIPTION (continued)

- (12) Requires that expenditures over \$5,000 by the county sports complex authority in Jackson County must be competitively bid (Section 64.490);
- (13) Requires, after September 1, 2005, any money received or collected to fund additional costs and expenses incurred by county offices be deposited into the county general revenue fund, unless the fund is authorized by state law or was approved by a vote of the people (Section 67.055);
- (14) Adds special assessments for neighborhood improvement districts to the laws regarding the collection of property taxes and other local taxes (Sections 67.469, 140.150, and 140.160);
- (15) Specifies that when any tax, interest, or penalty imposed in relation to the St. Charles County Convention and Sports Facilities Authority is not paid when due, the authority may file a notice of lien in the recorder's office and authorizes a civil action by the authority to enjoin the operation of any business or facility owing the tax or violating the provisions of the county convention and sports facilities authority laws (Section 67.1159);
- (16) Authorizes any city or county to levy a sales tax of up to 0.5%, upon voter approval. This tax must be in lieu of the economic development sales tax allowed by Sections 67.1300 and 67.1303. The substitute specifies how the funds are to be spent and requires that the city or county establish an economic development tax board. The Department of Economic Development must submit to the Joint Committee on Economic Development by March 1 of each year a one-page report summarizing the status of each project using this sales tax (Section 67.1305);
- (17) Changes the laws allowing all counties and the City of St. Louis to levy sales and property taxes for community services for children by clarifying that the sole purpose of the tax is to provide services to protect the well-being and safety of children and youth and to strengthen families (Sections 67.1775, 210.860, and 210.861);
- (18) Extends authority to all cities and counties in the state to develop geographic information systems and the ability to charge for the use of the systems (Section 67.1850);
- (19) Modifies the authorization which currently certain counties with significant lake shoreline have to impose, upon voter approval, a single retail sales tax not to exceed 1.5% for the purpose of promoting water quality, infrastructure, and tourism so that voters can approve one or more retail sales taxes not to exceed 1.5% in the aggregate for the purpose of affecting water quality, infrastructure, or tourism, singularly or in any combination (Sections 67.1922 and 67.1934);

DESCRIPTION (continued)

(20) Allows St. Charles County to conduct and pay for the monitoring of blasting operations, whether the operation is located in an unincorporated area of the county or within the limits of a village, town, city, or municipality located with the county (Section 67.2535);

(21) Allows land sales pending plat approval if the owner/agent discloses in writing that the plat has not been approved and the sale is contingent upon the approval (Section 89.450);

(22) Prohibits the City of St. Peters from levying and collecting a license fee on hotels and motels in an amount in excess of \$1,000 per year and the City of Berkeley an amount in excess of \$12,000 per year. This provision has an effective date of July 1, 2006 (Section 94.270);

(23) Establishes the Downtown Revitalization Preservation Program which allows any municipality with fewer than 200,000 residents to undertake redevelopment projects to reduce blight in their downtown area if certain requirements are met (Sections 99.1080, 99.1082, 99.1086, 99.1088, 99.1090, and 99.1092);

(24) Adds junior college districts to the list of entities which must be notified of municipal industrial development projects involving the issuance of revenue bonds or the conveyance of municipal property and make payments in lieu of taxes. The substitute also requires that all taxing entities in Franklin County receive notice and payment in lieu of taxes (Sections 100.050, and 100.059);

(25) Changes from May to April when county commissions receive bids from banking institutions to be the county depository and changes from May 1 to April 1 when the bids are publicly opened (Sections 110.130 and 110.150);

(26) Allows the Cass County Commission to submit the issue of the formation of a board of election commissioners to a public vote. Currently, this issue can only be submitted for voter approval by initiative petition (Section 115.019);

(27) Defines "business personal property" and requires taxing authorities to exclude from their total assessed valuation 72% of the total amount of business personal property that is the subject to an appeal of the State Tax Commission or in a court. If the taxing authority uses a multi-rate approach, this exclusion is made from the personal property class (Section 137.071);

DESCRIPTION (continued)

(28) Allows local government officials to accept cash, personal checks, business checks, money orders, credit cards, or electronic transfers of funds for the payment of any city or county tax or license. The local government can charge the person a fee equal to the amount charged to the county or city by the bank, processor, or issuer of the electronic payment (Sections 137.115, 139.040, 139.055, and 301.025);

(29) Creates a standardized schedule of depreciation and requires assessors to use it to establish uniformity in the assessment of depreciable tangible personal property. Business personal property placed into service before January 2, 2006, will not be affected by this provision (Section 137.122);

(30) Specifies that whenever an assessor or an employee has insufficient information to assess any real property, he or she will assess the property based upon a physical inspection. The assessor or an employee will have the right to enter onto any land for the purpose of assessing the real or personal property but may not enter the interior of a structure without permission. The substitute also repeals a similar duplicate version of this provision passed in 1999 (Section 137.130);

(31) Changes the calculation of the amount of the transfer of certain county funds. Currently, counties are required to transfer from the county general revenue fund to the assessment fund an amount equal to an average of the three most recent years' payments. The substitute requires that capital expenditures and equipment expenses be deducted from a year's contribution before computing the three-year average (Section 137.720);

(32) Changes the date at which lands are sold for delinquent taxes from the fourth Monday in August to a day in August to be specified by the county collector and changes the time frame for publishing the list of delinquent lands accordingly (Sections 140.150 and 140.170);

(33) Eliminates the requirement that the territory contained within the corporate limits of an ambulance district be contiguous as long as it is within a 5-mile radius of other district territory (Sections 190.010, 190.015, and 190.090);

(34) Allows fire protection districts in St. Louis County to create an ambulance district if the boards of the participating fire protection districts approve by a majority vote and the fire protection districts are contiguous (Section 190.015);

(35) Allows nursing home districts in Marion and Ralls counties to establish and maintain assisted living facilities (Section 198.345);

DESCRIPTION (continued)

(36) Allows the county commissions in Cass and Cooper counties to submit a proposal to levy a tax to operate a county health center to a public vote. Currently, this issue can only be submitted for voter approval by initiative petition (Section 205.010);

(37) Prohibits the Missouri Housing Development Commission from awarding grants or loans to the City of Kansas City until the city's governing body implements oversight procedures to review expenditures and development plans for all housing contracts in excess of \$75,000 (Section 215.246);

(38) Allows Barry and Christian counties, upon voter petition and after a public hearing, to disincorporate any special road district except one which is located in two counties (Section 233.295);

(39) Adds water supply districts to those entities that may sue landlords or tenants for past due bills less any security deposit amounts and requires those supplier entities to make a good faith effort to notify the property owner when the tenant's sewer or water bill is more than 30 days past due. The owner cannot be held liable for sums due from the tenant for more than 60 days of service, and the water provider cannot be held civilly or criminally liable for terminating service due to the delinquency of the payment. This provision only applies to residences with their own private water and sewer lines and becomes effective February 1, 2006 (Section 250.140);

(40) Includes Schuyler County in Section 263.245 which provides that owners of land in certain counties will control all brush growing on their property that is designated as the county right-of-way or county maintenance easement and which is adjacent to any county road (Section 263.245);

(41) Specifies that if a municipality adopts or implements a residential construction regulatory system within its jurisdiction, then fire protection districts cannot adopt or implement such a system within the municipality's jurisdiction (Section 321.222);

(42) Specifies that the City of Harrisonville will be governed by Section 72.418 relating to city reimbursement to the fire protection district (Section 321.322);

(43) Authorizes public administrators in counties of the second, third, and fourth classifications to delegate their duties to deputies (Sections 473.770 and 473.771);

(44) Authorizes Jasper County to collect an additional \$10 fee on civil cases filed (excluding adoptions and small claims). This provision will expire December 31, 2014 (Section 488.426);

DESCRIPTION (continued)

(45) Establishes an expiration date for the authorization of certain debt service. Currently, the additional court fees authorized in section 488.426 may be used for the family services and justice fund, for courtroom renovation and technology enhancement, and for debt service on county bonds for such renovation and enhancement. The substitute specifies that the authorization will terminate December 31, 2014 (Section 488.429);

(46) Repeals a similar duplicate version of Section 488.429 passed in 2004 which had an expiration date of December 31, 2014, for the entire section (Section 488.429);

(47) Specifies that when a change of venue is granted in a criminal case, the defendant will be housed in the county in which the cause is removed if the respective sheriffs do not agree (Section 545.550);

(48) Authorizes the Governor to sell property located in Buchanan and St. Francois counties currently used by the Division of Workforce Development as career centers (Sections 1 and 2);

(49) Transfers the responsibility of computing county officials' salaries to the county salary commissions (Section 3); and

(50) Authorizes Madison County to impose, upon voter approval, a local sales tax up to 1% to improve for public recreational projects and programs, including land acquisition (Section 4).

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

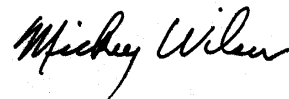
Office of Secretary of State  
Office of State Treasurer  
Department of Economic Development  
Department of Natural Resources  
Missouri Department of Transportation  
Department of Revenue  
State Tax Commission  
Department of Social Services  
Office of State Courts Administrator  
Department of Conservation  
Department of Labor and Industrial Relations  
Office of Administration



SOURCES OF INFORMATION (continued)

Office of Attorney General  
Department of Social Services  
Joint Committee on Public Employee Retirement  
County Employees Retirement System  
Local Government Employees Retirement System  
Cass County Commission  
City of Springfield  
Jefferson County Commission  
Jasper County Commission  
Henry County Treasurer-Collector  
Nodaway County Clerk  
Livingston County Clerk  
Carroll County Clerk  
Greene County Commission  
City of St. Peters  
City of Berkeley  
Little Blue Valley Sewer District

NOT RESPONDING



Mickey Wilson, CPA  
Director  
April 21, 2005