

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0382-08  
Bill No.: HCS for SS for SCS for SB 22  
Subject: Political Subdivisions  
Type: Original  
Date: April 30, 2007

Bill Summary:           Modifies laws relating to political subdivisions. Certain sections have an emergency clause.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	(More than \$302,285)	(\$181,083 to more than \$12,281,083)	(\$180,154 to more than \$12,280,154)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(More than \$302,285)</b>	<b>(\$181,083 to more than \$12,280,083)</b>	<b>(\$180,154 to more than \$12,280,154)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Board of Fund Commissioners	\$0	\$0	\$0
State School Monies	\$0	\$0	\$0
Highway	(\$8,400)	\$0	\$0
School District Trust	(Unknown)	(Unknown)	(Unknown)
Parks and Soil	(Unknown)	(Unknown)	(Unknown)
Conservation	(Unknown)	(Unknown)	(Unknown)

<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(Unknown greater than \$8,400)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>
---	---------------------------------------	------------------	------------------

Numbers within parentheses: ( ) indicate costs or losses.  
 This fiscal note contains 29 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</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 FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

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).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>

<b>Local Government</b>	<b>Unknown to (Unknown)</b>	<b>Unknown to (Unknown)</b>	<b>Unknown to (Unknown)</b>
-------------------------	---------------------------------	---------------------------------	---------------------------------

**FISCAL ANALYSIS**

**ASSUMPTION**

**ST. LOUIS CITY COLLECTOR: CONTRACTING WITH OTHER CITIES TO COLLECT TAXES: (Section 50.332):**

Officials of the **Missouri Employees' Retirement Fund (CREF)** assume that by requiring payment to be made directly to the county, the Collector would no longer be paying into the retirement fund pursuant to section 52.290 RSMo.

**JACKSON COUNTY - TAX MAINTENANCE FUND: (Section 52.290 and 52.312)**

Officials of the **Office of the State Auditor** assume no fiscal impact.

Officials of the **State Tax Commission** and the **Department of Revenue** assume no fiscal impact to their agencies.

**Oversight** assumes that the changes made in Sections 52.290 and 52.312 would require the Jackson County Collector to charge a fee of three percent on delinquent and back tax statements, for the collection of such taxes, rather than the two percent currently allowed.

**Oversight** assumes this proposal would require Jackson County to establish a Tax Maintenance Fund as required in Section 52.312, and to deposit one-third of the three percent collected on delinquent taxes into that fund. The remaining two-thirds of the three percent collected would continue being deposited into the County General Revenue Fund. Jackson County currently collects two percent which all goes to the County's General Revenue Fund. **Oversight** assumes no fiscal impact to the County's General Revenue Fund.

**Oversight** will show fiscal impact to Jackson County's Tax Maintenance Fund as a positive unknown.

ASSUMPTION (continued)

**Oversight** notes there would be some insignificant savings from not having to send out tax sale notices as certified mail.

**Oversight** sent response request to Jackson County and they did not respond.

**JEFFERSON COUNTY : ORDINANCE ENFORCEMENT: (Section 67.320)**

**Oversight** assumes that currently, Jefferson County may adopt orders consistent with state law with penal provisions in the areas of traffic violations, solid waste management, and animal control. Under this section the county would be able to adopt such orders in any area covered by the county's ordinances.

**Oversight** assumes that Jefferson County could expect an increase in fine revenue. In fiscal note 5300-01 of last session Jefferson County officials estimated an increase in revenue of \$20,000 to \$40,000 annually.

Officials of the **Department of Elementary and Secondary Education** assume the school districts in Jefferson County could realize a reduction in the amount of fine revenue. Officials did not estimate the amount of expected loss.

**Oversight** assumes any loss would be minimal, and less than \$100,000 annually. Oversight assumes any loss to schools would be made up from the State's School Monies Fund resulting in no fiscal impact to Jefferson County Schools.

**LOCAL OPTION SALES TAX:**

**Oversight** assumes the following sections have the potential to impact the State's General Revenue Fund. Sections 67.997, 67.2040, 67.2510, 92.500, and 94.950 are **considered to be permissive and as written does not require certain defined local governments to initiate sales taxes for certain purposes.**

Before there would be fiscal impact, the governing body would have to place the question of imposing a sales tax to the voters of the defined district. **Oversight** is showing this because the Department of Revenue- Sales Tax Division would collect the tax, and would **retain a 1% collection fee which would go into the State's General Revenue Fund. Fiscal impact will be shown as \$0 or a positive unknown.** If none of the political subdivisions would impose a sales tax there would be no fiscal impact to the General Revenue Fund. If a tax were approved, the 1%

collection fee would go into the General Revenue Fund. The amount is unknown.

ASSUMPTION (continued)

Officials of the **Department of Revenue** assumes any costs could be handled with existing resources and assume no fiscal impact.

Officials of the **Office of Administration - Information Technology** stated that any cost could be handled with existing resources and assume no fiscal impact.

**LOCAL OPTION TRANSIENT GUEST TAX:**

**Oversight** assumes Sections 67.1003, 67.1016, and 67.1360 allows cities to impose, with voter approval, a transient guest tax. Section 67.1016 allows any county of the second, third or fourth classification, with voter approval, to impose a transient guest tax. **Oversight** assumes the taxes to be permissive. Both would require action by the governing body with voter approval.

**Oversight** will show income and costs to tourism funds as unknown. **Oversight** assumes costs would not exceed income resulting in a zero annual fund balance or an annual positive fund balance. For purposes of this fiscal note fiscal impact will be shown as \$0.

Section 94.870 provides that any municipality located in Pemiscot County would be allowed to levy a transient guest tax, upon voter approval. The tax would be for promoting tourism.

Section 94.875 changes the population requirement on cities from one thousand to seven thousand five hundred, that would require that monies in their Tourism Tax Trust Fund be spent as follows:

- Allows 40% may be transferred to such city's General Revenue Fund;
- 35% may be used for city capital improvements, pursuant to voter approval;
- Oversight assumes the remaining 25% would be used for tourism purposes.

**Oversight** assumes any action would require approval of the governing body with voter approval. Oversight assumes no fiscal impact from this section.

ASSUMPTION (continued)

**LOCAL OPTION TOURISM TAXES: AUDIT**

Section 67.1181 requires political subdivisions that collect and expend tax revenues for advertising and tourism promotion to perform an audit at least every 5 years provided no other statutory auditing requirement exists. Cost of the audit would be paid from revenues for operating costs. The first audit would be completed by January 1, 2009.

**Oversight** will show costs to the County's Tourism Fund as unknown. **Oversight** assumes costs would be minimal.

**KANSAS AND MISSOURI INVESTMENT DISTRICT COMPACT:** (Section 70.515)

Section 70.515 this section changes provisions of the Kansas and Missouri Regional Investment District Compact.

**In response to identical legislation fiscal note 2520-01 SB 671, the following fiscal impact statements were made:**

Officials from the **City of Kansas City** assume the proposal would have no adverse or beneficial impact on their city.

Officials from the **City of St. Joseph** and the counties of **Jackson, Platte** and **Buchanan** did not respond to our request for fiscal impact.

**Oversight** assumes this proposal is permissive in nature and requires voter approval for such district compact to be enacted. In the fiscal note for the enabling legislation (SB 825 in 2006), Oversight reflected a \$0 to potential unknown amount of revenue that would be collected by the state's Department of Revenue for the 1% collection fee of the sales tax that could be generated for such a district. Oversight also reflected a \$0 to Unknown amount of sales tax revenue to local political subdivisions as well as an offsetting \$0 to (Unknown) cost for funding the operation of the regional projects and commission. Therefore, Oversight assumes the fiscal impact of this proposal has already been reflected in the fiscal note for the truly agreed to and finally passed SB 825 in 2006, and will not reflect additional fiscal impact from the changes contained in this proposal.

ASSUMPTION (continued)

**RETIREMENT BENEFITS FOR FIREFIGHTERS: (Section 87.006:**

Officials of the **Joint Committee on Public Employee Retirement** stated that their review of this legislation would indicate that such legislation would not create a “substantial proposed change” in future plan benefits as defined in Section 105.660(5). Therefore, an actuarial cost statement is not required.

Officials of the **Missouri Local Government Employees’ Retirement System (LAGERS)** stated that “more fire members of LAGERS are classified as duty disabilities as opposed to non-duty disabilities due to House Bill 375, benefits paid out of the retirement system would increase. Depending upon the level of increase in disability and death-in-service benefits due to the reclassification from non-duty to duty, an increase in computed employer contribution rates may be required in the future”.

**CITIES OF THE THIRD CLASS - STORM WATER USER FEES: (Section 88.832)**

Section 88.832 exempts churches, public schools, nonprofit organizations, and political subdivisions located in any city of the third classification that imposes a storm water user fee from paying the fee.

**Oversight** assumes there would be a loss of revenue to certain cities that impose a user fee on storm water programs. **Oversight** assumes loss of revenue would not be significant and will show loss of revenue as minimal.

**ST. LOUIS COUNTY AND CITY TRANSPORTATION SALES TAX (Section 94.660)**

This amendment removes the coupling provision in Section 94.660 which requires both the city and the county to approve a transportation sales tax before the tax could go into effect in either jurisdiction. **Oversight** assumes no fiscal impact.

ASSUMPTION (continued)

**Section 99.1200 DISTRESSED AREAS LAND ASSEMBLAGE TAX CREDIT PROGRAM:**

Officials from the **Office of Administration - Budget and Planning** state this part of the proposal creates the Distressed Areas Land Assemblage Tax Credit program. The program provides for a fifty percent tax credit on acquisition costs and one-hundred percent on interest costs incurred on an eligible parcel of land for a period of six years. The tax credits may be carried forward for five consecutive years or until the credit is fully used, whichever occurs first. The total aggregate amount of tax credits authorized under this program shall not exceed one hundred million dollars and the proposal sets an annual cap of twelve million dollars for the program. This proposal could therefore lower general and state revenues by that amount. This program may stimulate other economic activity, but Budget and Planning does not have data to estimate the induced revenues. The Department of Economic Development may have such an estimate.

Officials from the **Department of Economic Development (DED)** state Section 99.1200, Distressed Areas Land Assemblage Tax Credit -- \$100M Cumulative Cap at \$12M per year. 1.0 FTE and impact to TSR of \$12M per year.

DED officials assume the need for one person, (an Economic Development Inc. Spec. III), and expenses to administer the Distressed Areas Land Assemblage Tax Credit Act. Officials assume the act would generate an unknown amount of positive economic benefits to the General Revenue Fund and Missouri. Officials estimate costs for personal service of 1 FTE, Fringe Benefits, and Equipment and Expense at \$78,058 in FY 2008; \$88,083 in FY 2009; and \$88,562 in FY 2010.

Officials from the **Department of Revenue (DOR)** state Section 99.1200 establishes a new tax credit with carry-forward provisions. Personal Tax would require 1 Tax Processing Technician I for every 4,000 credits claimed.

**Sections 144.030 and 144.062 - SALES TAX EXEMPTIONS FOR SPORTS AUTHORITIES:**

Officials of the **Department of Revenue** assume no fiscal impact to their department. Officials did not submit an estimate of sales tax revenues that would be lost.



ASSUMPTION (continued)

**Sections 163.011 and 163.038 CERTAIN SCHOOL DISTRICT - ADDITIONAL PAYMENT**

Section 163.011 & 163.038 grants school districts, located at least partially within a county, an additional payment equal to the decrease, if any, in the amount the district receives from fines in the current year from revenue the district received in fiscal year 2005.

**Responses to identical legislation fiscal note 2020-07 SCS for SB 456 the following fiscal impact statements were issued:**

Officials from the **Office of State Courts Administrator** state this proposal has no fiscal impact on the Courts.

According to officials from the **Department of Elementary and Secondary Education (DES)**, This proposal would require a state payment to any school district that is located at least partially in any county that creates a county municipal court or is otherwise eligible to prosecute county ordinance violations under section 66.010, after January 1, 2006 for the amount of decrease in fines from the 2005 fiscal year.

DESE is currently aware of only one county (St. Charles County) that has implemented a county municipal court. The districts in St. Charles County and their fine revenue in the 2005 fiscal year are:

092-087	Ft. Zumwalt	\$532,939
092-088	Francis Howell	\$555,148
092-089	Wentzville	\$225,337
092-090	St. Charles R-VI	\$178,034
092-091	Orchard Farm R-V	<u>\$ 38,007</u>
		\$1,529,465

The additional state payment pursuant to this proposal would be no more than that specified for the respective district. However, should other counties create county municipal courts, the potential exists for the state payment to greatly exceed this total.

ASSUMPTION (continued)

Information was provided by **St Charles County** outlining the number of traffic and misdemeanor tickets issued by the St Charles Sheriff for FY 2002 and FY 2003, along with the percentage of cases filed that are dismissed. St Charles County also provided the total disbursements for FY 2003 through FY 2006. Based on information from St Charles County, **Oversight** makes the following assumptions regarding this proposal:

The base amount upon which calculations are made is **\$1,655,861**. The amount of fines collected by a newly created county municipal court average 40% of the total fines collected. Fine revenue is increasing at an average rate of 10% a year.

Fine revenue collections for 2008, net of the amount assumed to go through the county municipal court, and projections for 2009 are as follows:

<u>Year</u>	<u>Net Revenue</u>	<u>Base</u>	<u>+/-</u>
2008	\$1,502,964	\$1,655,861	(\$152,897)
2009	\$1,653,260	\$1,655,861	(\$ 2,601)

Based on these assumptions, by FY 2010 the net fine revenue would not be less than the base amount; therefore, no longer requiring payment by the Department of Elementary and Secondary Education to make up the difference.

**CERTAIN SCHOOL DISTRICT MODIFIER - (Section 163.016):**

Section 163.016 provides that any school district located in more than one county and whose headquarters are located within Monroe City and located in more than one county, the county signified in the school district number shall be the county in the district with the highest dollar value modifier.

Officials of the **Department of Elementary and Secondary Education** assume estimate the cost of providing additional state aid would be \$33,707 in FY 2008; \$50,657 in FY 2009; and \$50,657 in FY 2010. Officials assume costs would affect the State General Revenue Fund.

ASSUMPTION (continued)

**AMBULANCE DISTRICTS - BOARD MEMBERS: TRAINING**

Section 190.053 requires ambulance board members first elected after January 1, 2008 to complete educational training.

Officials of the **Department of Health and Senior Services** stated this proposal would have no fiscal impact on their department's appropriations. Officials assume ambulance districts would have some costs. Officials could not estimate cost.

**Oversight** assumes the amount of cost per ambulance district would depend upon the number of members requiring training, location of training, and whether board members would have to travel, require lodging, and meals. **Oversight** will show costs as \$0 to (unknown).

**COMMUNITY HEALTH DISTRICT: (Section 205.563)**

This bill authorizes any city of the fourth class with more than two hundred but fewer than three hundred inhabitants and located in a second class county with more than forty-eight thousand two hundred, but fewer than forty-eight thousand three hundred inhabitants to levy, upon voter approval, a tax of up to 35 cents on each \$100 of assessed valuation on taxable real property to fund the establishment of a community health district.

**Oversight** assumes this section is permissive and would require action by the governing body with voter approval before fiscal impact would be realized. For purposes of this fiscal note, Oversight assumes no fiscal impact.

**PUBLIC WATER SUPPLY DISTRICT DIRECTORS: (Section 247.060)**

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

**Oversight** sent fiscal note response requests to several public water supply districts, and none have responded.

**Oversight** assumes there could be some election costs savings by lengthening the terms to every three years for directors from the date of being first elected rather than under the current staggered election cycle. **Oversight** would expect election costs savings per water district to be minimal.

ASSUMPTION (continued)

**FIRE PROTECTION DISTRICTS - BOARD MEMBERS: TRAINING**

Section 321.162 requires board members of fire protection districts, first elected after January 1, 2008, to complete educational training.

Officials of the **Department of Public Safety - Division of Fire Safety** stated they currently have a training program that will meet the requirements outlined in this legislation and assume no fiscal impact.

Officials of the **DeSoto Rural Fire Protection District** stated that they would estimate their costs at \$500 each year that an election was held, provided there were new board members elected. Officials assume if training were held within a reasonable traveling distance, costs would be less.

**Oversight** assumes costs of training for each fire protection district would depend upon the number of newly elected board members, the distance the members would have to travel to have training, would lodging be necessary, and the number of meals required. **Oversight** will show fiscal impact as \$0 to (Unknown), and expects costs per fire district to be minimal.

**Sections 644.597, 644.598, and 644.599 STORM WATER CONTROL:**

Officials from the **Office of Administration - Division of Accounting** assume, although there would be no fiscal impact relating to this authorization increase, there would be a fiscal impact if any of the currently outstanding authorization is actually issued. There would need to be approximately \$700,000 for principal and interest for every \$10 million dollars issued and one time costs of approximately \$192,509 for each issuance.

Officials from the **Department of Natural Resources** assume the proposal would authorize the Board of Fund Commissioners to sell \$40 million in bonds for stormwater control plans, studies and projects under Article III, Sections 37(h), (g), and (e).

Bonds are sold on as-needed basis.

37(e) money is approved for \$10 million to be spend as follows:  
\$7 Million for the 40% State Construction Grant Programs  
\$3 Million for the Rural Water and Sewer grants

ASSUMPTION (continued)

37(g) money is approved for \$10 Million to be spent as follows:

\$5 Million for Rural Water grants and loans

\$5 Million for Rural Sewer grants and loans

47(h) money is approved for \$20 Million to be spent as follows:

\$10 Million for stormwater grants

\$10 Million for stormwater loans

**Oversight** is unable to determine when bonds would be sold and has ranged the sale from \$0 to \$40 million. Oversight has ranged the annual income and annual repayment of bonds sold from \$0 to \$3,570,033.

**SECTIONS 2 : HIGHWAYS IN ST. CHARLES COUNTY:**

Officials of the **Missouri Department of Transportation (MoDOT)** made the following fiscal impact statement:

Section 2 - Restricts truck travel in the far left lane on an interstate highway at a specific location on I-70 within 3 miles of MO 340. MoDOT would have to install 16 total traffic signs to alert drivers of this change. The department would need to install 8 signs in each direction. This would include, in each direction, 1 set of advance notice signs prior to the restricted zone, 2 sets of regulatory signs within the zone & 1 set of signs indicating the end of the zone. The total cost for the 16 signs is approximately \$8,400. This cost reflects the cost of materials needed to fabricate the signs and does not include any labor or maintenance cost.

Officials of the **Office of Secretary of State - Rules Division** assume this proposal provides for rulemaking authority in various sections. Officials stated that many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The Secretary of State's office is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to Secretary of State's office for Administrative Rules is less than \$2,500. The Secretary of State's office recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, we reserve

the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

ASSUMPTION (continued)

**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

**The following list of respondents stated there would be no fiscal impact to their agencies: Department of Health and Senior Services, Department of Economic Development- Tourism Division, Department of Revenue, Office of the State Auditor, Office of the State Treasurer, Office of State Courts Administrator, Missouri Joint Committee on Public Employee Retirement, Department of Public Safety - Fire Safety Division, Department of Corrections, Little Blue Valley Sewer District, Office of Prosecution Services, Local Government Employees Retirement System, Office of Administration - Admin. Hearing Commission, Office of the Secretary of State- State Librarian, Department of Agriculture, Department of Economic Development - Public Service Commission, State Tax Commission, Police Retirement System of St. Louis, Police Retirement System of Kansas City, Civilian Employees' Retirement System of the Kansas City Police Department,**

**LOCAL GOVERNMENT RESPONSES:**

**Oversight sent response request to many local governments and only a few responded.**

Officials of the **Texas County Clerk's Office** assume no fiscal impact.

Officials of the **Boone County Collector's Office** assume no fiscal impact.

Officials of the **Taney County Ambulance District** assume no fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
---	---------------------	---------	---------

**GENERAL REVENUE FUND**

**Income** - From 1% collection fee on sales tax  
 (Sections 67.997, 67.2040, and 67.2510, 92.500, 94.950,)      **\$0 or Unknown   \$0 or Unknown   \$0 or Unknown**

**Cost** - Department of Economic Development (DED) (Section 99.1200)

Personal Service	(\$40,149)	(\$49,625)	(\$49,625)
Fringe Benefits	(\$18,171)	(\$22,460)	(\$22,460)
Expense and Equipment	<u>(\$19,738)</u>	<u>(\$15,998)</u>	<u>(\$16,477)</u>
<b>Total Costs - DED</b>	<b><u>(\$78,058)</u></b>	<b><u>(\$88,083)</u></b>	<b><u>(\$88,562)</u></b>
FTE Change - DED	1 FTE	1 FTE	1FTE

**Costs** - Department of Revenue (DOR)  
 (Section 99.1200)

Personal Service	(\$20,528)	(\$25,372)	(\$26,134)
Fringe Benefits	(\$9,291)	(\$11,483)	(\$11,828)
Expense and Equipment	<u>(\$7,804)</u>	<u>(\$2,887)</u>	<u>(\$2,973)</u>
<b>Total Costs - DOR</b>	<b><u>(\$37,623)</u></b>	<b><u>(\$39,742)</u></b>	<b><u>(\$40,935)</u></b>
FTE Change DOR (Section 99.1200)	1 FTE	1 FTE	1 FTE

**Cost** - Department of Elementary and Secondary Education - Additional payment to certain districts (§163.011& Section 163.038)  
 (Section 163.016 and Section 2)

	(\$152,897)	(\$2,601)	\$0
	<u>(\$33,707)</u>	<u>(\$50,657)</u>	<u>(\$50,657)</u>
<b>Total Cost to DESE</b>	<b><u>(\$186,604)</u></b>	<b><u>(\$53,258)</u></b>	<b><u>(\$50,657)</u></b>

**Loss - DED**

Distressed Areas Land Assemblage Tax Credit (Section 99.1200)	<b><u>\$0</u></b>	<b><u>\$0 to</u></b>	<b><u>\$0 to</u></b>
		<b><u>(\$12,000,000)</u></b>	<b><u>(\$12,000,000)</u></b>

<b><u>FISCAL IMPACT - State Government</u></b> (continued)	<b><u>FY 2008</u></b> (10 Mo.)	<b><u>FY 2009</u></b>	<b><u>FY 2010</u></b>
---	-----------------------------------	-----------------------	-----------------------

**Loss - General Revenue Fund**

Sales Tax Exemption (Sections 144.030 and 144.062)	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>
--	-------------------------	-------------------------	-------------------------

**Transfer of Revenue - To State School Monies Fund**

Offset loss of school fine monies in Jefferson County. (Section 67.320)	<b><u>(Less than</u></b> <b><u>\$100,000)</u></b>	<b><u>(Less than</u></b> <b><u>\$100,000)</u></b>	<b><u>(Less than</u></b> <b><u>\$100,000)</u></b>
---	--	--	--

<b>ESTIMATED NET EFFECT TO STATE GENERAL REVENUE FUND</b>	<b><u>(More than</u></b> <b><u>\$302,285)</u></b>	<b><u>( \$181,083 to</u></b> <b><u>more than</u></b> <b><u>\$12,281,083)</u></b>	<b><u>( \$180,154 to</u></b> <b><u>more than</u></b> <b><u>\$12,280,154)</u></b>
---	--	--	--

**HIGHWAY FUND (Section 2)**

<b><u>Cost</u> - Department of Transportation posting signs,</b>	<b><u>(\$8,400)</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
--	-------------------------	-------------------	-------------------

<b>ESTIMATED NET EFFECT TO HIGHWAY FUND</b>	<b><u>(\$8,400)</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
---	-------------------------	-------------------	-------------------

**SCHOOL DISTRICT TRUST FUND**

<b><u>Loss</u> - School District Trust Fund Sales Tax Exemption (Sections 144.030 &amp; 144.062)</b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>
--	-------------------------	-------------------------	-------------------------



<u>FISCAL IMPACT - State Government</u> (continued)	FY 2008 (10 Mo.)	FY 2009	FY 2010
--	---------------------	---------	---------

**STATE SCHOOL MONIES FUND**

<u>Transfer In</u> - From General Revenue To pay increase in state aid (Section 163.016)	<b>\$33,707</b>	<b>\$50,657</b>	<b>\$50,657</b>
--	-----------------	-----------------	-----------------

<u>Transfer In</u> - From General Revenue To offset loss in fine revenue in Jefferson County. (Section 67.320)	<b>Less than \$100,000</b>	<b>Less than \$100,000</b>	<b>Less than \$100,000</b>
--	--------------------------------	--------------------------------	--------------------------------

<u>Transfer Out</u> - to Monroe City R-II School District Modifier Change in Formula. (Section 163.016)	<b>(\$33,707)</b>	<b>(\$50,657)</b>	<b>(\$50,657)</b>
---	-------------------	-------------------	-------------------

<u>Transfer Out</u> - Distribution to School Districts in Jefferson County. (Section 67.320)	<b>(Less than \$100,000)</b>	<b>(Less than \$100,000)</b>	<b>(Less than \$100,000)</b>
--	----------------------------------	----------------------------------	----------------------------------

<b>ESTIMATED NET EFFECT TO STATE SCHOOL MONIES FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
---	-------------------	-------------------	-------------------

**PARKS AND SOIL FUND**

<u>Loss</u> -Parks and soil Fund <u>Sales Tax Exemption (Sections 144.030 &amp; 144.062)</u>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>
---	------------------	------------------	------------------

<u>FISCAL IMPACT - State Government</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
	<u>(10 Mo.)</u>		
<b>CONSERVATION FUND</b>			
<b><u>Loss</u> - Conservation Fund</b>			
Sales Tax Exemption (Sections 144.030 & 144.062)	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>
<b>BOARD OF FUND</b>			
<b>COMMISSIONERS (Sections 644.597, 644.598, and 644.599)</b>			
<b><u>Income</u> - Board of Fund Commissioners</b>			
Sale of Bonds	\$0 to \$40,000,000	\$0 to \$40,000,000	\$0 to \$40,000,000
<b><u>Income</u> - Fees for Storm Water Control</b>	\$0 to \$3,570,033	\$0 to \$3,570,033	\$0 to \$3,570,033
<b><u>Cost</u> - Local Revenue Backed by Storm Water Control Fees</b>	\$0 to (\$40,000,000)	\$0 to (\$40,000,000)	\$0 to (\$40,000,000)
<b><u>Cost</u> - Payment of Bonds</b>	<u>\$0 to</u> <u>(\$3,570,033)</u>	<u>\$0 to</u> <u>(\$3,570,033)</u>	<u>\$0 to</u> <u>(\$3,570,033)</u>
<b>ESTIMATED NET EFFECT ON</b>			
<b>BOARD OF FUND</b>			
<b>COMMISSIONERS</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT - Local Government</u> (continued)	FY 2008 (10 Mo.)	FY 2009	FY 2010
 <b>JACKSON COUNTY - TAX MAINTENANCE FUND (Sections 52.290 and 52.312)</b>			
<b><u>Income</u></b> - Tax Maintenance Fund From one-third of penalty fee of 3%.	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
<b><u>Total Effect</u></b> to Jackson County Tax Maintenance Fund	<b><u>Unknown</u></b>	<b><u>Unknown</u></b>	<b><u>Unknown</u></b>
 <b>JEFFERSON COUNTY (Section 67.320)</b>			
<b><u>Income</u></b> - Jefferson County From increase in fines and fees	<u>Less than \$100,000</u>	<u>Less than \$100,000</u>	<u>Less than \$100,000</u>
<b><u>Total Estimated</u></b> Effect to Jefferson County (Section 67.320)	<b><u>Less than \$100,000</u></b>	<b><u>Less than \$100,000</u></b>	<b><u>Less than \$100,000</u></b>
 <b>JEFFERSON COUNTY SCHOOL DISTRICTS (Section 67.320)</b>			
<b><u>Transfer In</u></b> - From State School Monies Fund	Less than \$100,000	Less than \$100,000	Less than \$100,000
<b><u>Losses</u></b> - School Districts in Jefferson County From redistribution of court fines to local government.	<b><u>(Less than \$100,000)</u></b>	<b><u>(Less than \$100,000)</u></b>	<b><u>(Less than \$100,000)</u></b>

**Total Estimated** Effect to Jefferson County School Districts (Section 67.320) **\$0** **\$0** **\$0**

**FISCAL IMPACT - Local Government** (continued) FY 2008 (10 Mo.) FY 2009 FY 2010

**COUNTY TOURISM FUND**  
**(Section 67.1181)**

**Cost** - From conducting audit of fund. **\$0** **(Unknown)** **\$0**

**Total Cost** to County Tourism Fund **\$0** **(Unknown)** **\$0**

**CERTAIN THIRD CLASS CITIES**

**Loss of Revenue** - Certain Third Class Cities. (Section 88.832)

From exemption provided on certain entities from paying storm water user fees. **Minimal** **Minimal** **Minimal**

**ST. CHARLES SCHOOL DISTRICTS**

**Income** - St Charles School Districts - Fine loss reimbursement (Section 163.011 & Section 163.038) **\$152,897** **\$2,601** **\$0**

**ESTIMATED NET EFFECT ON ST. CHARLES SCHOOL DISTRICTS** **\$152,897** **\$2,601** **\$0**

**AMBULANCE DISTRICT FUND**  
**(Section 190.053)**

**Cost** - From providing board member training. **\$0 to (Unknown)** **\$0 to (Unknown)** **\$0 to (Unknown)**

<b><u>Total Costs</u></b> to Ambulance District Fund	<b><u>\$0 to</u></b> <b><u>(Unknown)</u></b>	<b><u>\$0 to</u></b> <b><u>(Unknown)</u></b>	<b><u>\$0 to</u></b> <b><u>(Unknown)</u></b>
--	---	---	---

<b><u>FISCAL IMPACT - Local Government</u></b> (continued)	FY 2008 (10 Mo.)	FY 2009	FY 2010
---	---------------------	---------	---------

**PUBLIC WATER SUPPLY DISTRICTS**

<b><u>Savings</u></b> - Election costs due to changes in director's terms.	<u>Minimal</u>	<u>Minimal</u>	<u>Minimal</u>
--	----------------	----------------	----------------

<b><u>Estimated Net Effect</u></b> to Public Water Supply Districts (Section 247.060)	<u>Minimal</u>	<u>Minimal</u>	<u>Minimal</u>
---	----------------	----------------	----------------

**FIRE PROTECTION DISTRICT FUND (Section 321.162)**

<b><u>Cost</u></b> - From providing training to board members.	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>
--	-----------------------------------	-----------------------------------	-----------------------------------

<b><u>Total Costs</u></b> to Fire Protection District Fund	<b><u>\$0 to</u></b> <b><u>(Unknown)</u></b>	<b><u>\$0 to</u></b> <b><u>(Unknown)</u></b>	<b><u>\$0 to</u></b> <b><u>(Unknown)</u></b>
--	---	---	---

<b><u>FISCAL IMPACT - Local Government</u></b> (continued)	FY 2008 (10 Mo.)	FY 2009	FY 2010
---	---------------------	---------	---------

**CITIES, COUNTIES, SPECIAL DISTRICTS SALES TAX FUNDS**

<b><u>Income</u></b> - From voter approved sales tax.	Unknown	Unknown	Unknown
---	---------	---------	---------

<b><u>Costs</u></b> - From administering defined purpose of sales tax.	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
--	------------------	------------------	------------------

<b><u>Estimated Net Effect</u></b> to Cities, Counties, Special Districts (Sections 67.997, 67.2040, 67.2510, 92.500, and 94.950) *	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
---	-------------------	-------------------	-------------------

<b><u>FISCAL IMPACT - Local Government</u></b> (continued)	FY 2008 (10 Mo.)	FY 2009	FY 2010
---	---------------------	---------	---------

**CITIES OF SULLIVAN, HOLLISTER,  
 AND GLADSTONE, CITIES OF  
 PEMISCOT COUNTY, and  
 COUNTIES OF 2, 3, and 4  
 Classification, TOURISM FUND**

<b><u>Income</u></b> - From voter approved transient guest tax.	Unknown	Unknown	Unknown
--	---------	---------	---------

<b><u>Cost</u></b> - From promotion of tourism.	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
---	------------------	------------------	------------------

<b><u>Estimated Net Effect</u></b> to Counties and Cities of Sullivan, Hollister and Gladstone Tourism Fund. (Sections 67.1003, 67.1016, 94.870, and 67.1360) *	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
--	-------------------	-------------------	-------------------

<b><u>Transfer In</u></b> - Monroe County R-II School District Modifier Change increase in state (Section 163.016)	<b><u>\$33,707</u></b>	<b><u>\$50,657</u></b>	<b><u>\$50,657</u></b>
--	------------------------	------------------------	------------------------

<b>ESTIMATED NET EFFECT TO LOCAL GOVERNMENT</b>	<b><u>Unknown to (Unknown)</u></b>	<b><u>Unknown to (Unknown)</u></b>	<b><u>Unknown to (Unknown)</u></b>
---	--	--	--

**\* Oversight assume costs of providing defined services would not exceed income, resulting in either a \$0 or positive annual fund balance. Oversight assumes for purposes of this fiscal note a \$0 annual fund balance.**

### FISCAL IMPACT - Small Business

Small business located within districts that impose voter approved sales taxes or certain businesses that would be required to collect a transient guest tax would have to collect and administer the tax.

### DESCRIPTION

This proposal modifies the laws regarding political subdivisions.

Sections 52.290 and 52.312 changes provisions governing the collection of delinquent property taxes, and increases the fee imposed upon delinquent and back tax statements for the collection of such taxes for Jackson County from two percent to three percent. This proposal also modifies mailing requirements for notices of tax sale proceedings.

Section 64.907 allows any political subdivision subject to EPA rules concerning storm water discharges to adopt rules necessary to comply with the federal rules, rather than only counties. Any such political subdivision is authorized to establish a storm water control utility to administer the rules and a tax, upon voter approval to be used for storm water control.

Section 67.320 Currently, Jefferson County may adopt orders with penal provisions consistent with state law in the areas of traffic violations, solid waste management, and animal control. Under this section the county would be able to adopt such orders in any area covered by the county's ordinances.

Section 67.997 allows Perry County to impose, upon voter approval, a sales tax of up to one-fourth of 1% to equally fund senior services and youth programs.

Section 67.1181 requires political subdivisions that collect and expend tax revenues for advertising and tourism promotion to perform an audit at least every five years if no other statutory auditing requirement exists for such political subdivision. The political subdivision shall pay the actual cost of the audit from the revenues for operating costs. The first audit shall be completed by January 1, 2009.

Section 67.1003 allows the City of Gladstone to impose, upon voter approval, a transient guest tax of up to 5% on hotel and motel rooms to be used for the promotion of tourism.

Section 67.1016 allows counties of the Second, Third, and Fourth Classification to impose with voter approval, a transient guest tax to be used for the promotion of tourism.

67.1360 allows the City of Sullivan and the portion of the Sullivan C-2 School District located in Franklin County to levy a transient guest tax on charges for sleeping rooms paid by guest of hotels, motels, bed and breakfast inns, and campgrounds or docking facilities. The proposed tax must be approved by the voters and could not be less than 2% or greater than 5% per occupied room per night.

DESCRIPTION (continued)

Section 67.1360 adds the City of Hollister to the list of cities that can levy a voter approved transient guest tax.

Section 67.2040 allows Pulaski County to impose, upon voter approval, a sales tax of one-eighth of 1% to fund construction of a women's and children's shelter.

Section 67.2510 allows cities, towns, and villages within Clay County, Franklin County, Boone and Jackson County to form a Theater, Cultural Arts, and Entertainment District. St. Charles County may also form a district. The current law provides for funding by a voter approved sales tax.

Section 70.515 Kansas and Missouri Compact:

Currently, there is a Kansas and Missouri Regional Investment District Compact. Under, this act, if the state of Kansas has not enacted the compact by August 28, 2007, the district shall still be created and shall be entitled the "Missouri Regional Investment District".

This act adds Buchanan County to the list of political subdivisions which are considered regional investment districts.

Section 88.832 provides that in any third class city that imposes a storm water user fee based on runoff rate of storm water on impervious surfaces, would not be allowed to impose said fee on property owned by any church, public school, nonprofit organization, or political subdivision.

The act also provides the areas of Kansas which will be included in the district if Kansas adopts the compact.

All members of the commission governing the Regional Investment District shall be from a jurisdiction in a state that has adopted the compact.

Currently, counties in the district may, upon voter approval, submit a sales tax not to exceed one-half of one percent to support a regional program for a public transit system. This act removes a provision stating that such a sales tax shall not be levied by any county unless a majority of the qualified electors of at least Johnson and Wyandotte Counties in Kansas and Jackson County in Missouri approve the such a levy.



Section 92.500 allows the City of St. Louis to impose, upon voter approval, a sales tax for public safety.

DESCRIPTION (continued)

Section 94.660 This section provides that the "coupling provision of section 94.660" (requires both the city and county to approve a transportation sales tax before a transportation sales tax can go into effect in either jurisdiction) shall not apply to any transportation sales tax approved by the voters in such city or such county on or after August 28, 2007.

Section 94.870 provides that any municipality located in Pemiscot County would be allowed to levy a transient guest tax, upon voter approval. The tax would be for promoting tourism.

Section 94.950 allows the City of Joplin to impose, upon voter approval, a sales tax of up to 0.5% to be used for operation, renovation, and construction of historical locations and museums for the purpose of tourism.

Section 99.1200 DISTRESSED AREAS LAND ASSEMBLAGE TAX CREDIT PROGRAM:  
This section creates the distressed areas land assemblage tax credit program, administered by the department of economic development. Tax credits issued under the distressed area land assemblage tax credit act, are non-refundable, fully transferrable income, corporate franchise, and financial institutions, tax credits. Tax credits issued under the act will be equal to fifty percent of the acquisition costs for the land, and one hundred percent of the interest costs. The tax credit program is capped at one hundred million dollars and the total amount of tax credits issued annually is limited to twelve million dollars.

Sections 144.030 & 144.062 - SALES TAX EXEMPTIONS FOR SPORTS AUTHORITIES :  
allows sports complexes an exemption from sales tax, and Section 144.062 allows an exemption for sports complexes for constructing, repairing, or remodeling facilities.

Section 163.011 grants school districts, located at least partially within a county, an additional payment equal to the decrease, if any, in the amount the district receives from fines in the current year from revenue the district received in fiscal year 2005.

Section 190.053 requires members of ambulance district boards first elected after January 1, 2008,

to complete educational training. The training shall be offered by a statewide association organized for the benefit of ambulance districts or approved by the State Advisory Council on Emergency Medical Services.

DESCRIPTION (continued)

The content of the training must include the duties of the ambulance district director, all ambulance district statutes and regulations, ethics and sunshine laws, financial and fiduciary responsibilities, and laws relating to the setting of tax rates and revenue limitations. If a board member does not receive the required training within one year of taking office, the board member shall not receive an attendance fee until the training is completed

Section 247.060 modifies the length of term for directors of public water supply districts elected in 2008, 2009, and 2010, due to a change in the date of their election from June to April in statute.

Section 321.162 requires members of fire protection district (FPD) boards first elected after January 1, 2008, to complete educational training. The content of the training will be determined by the State Fire Marshal but must include the duties of the FPD director, all FPD statutes and regulations, ethics and sunshine laws, financial and fiduciary responsibilities, and laws relating to the setting of tax rates and revenue limitations.

If a board member does not receive the required training within one year of taking office, the board member shall not receive an attendance fee until the training is completed.

Sections 644.597, 644.598, and 644.599 authorizes the Board of Fund Commissioners to issue additional bonds for the purposes of stormwater and water pollution control, clean drinking water and other projects in Section 640, RSMo.. A total of \$40 million was authorized.

Section 163.016 For any school district located in more than one county and whose headquarters are located within Monroe City and located in more than one county, the county signified in the school district number shall be the county in the district with the highest dollar value modifier.

Section 2 restricts truck traffic to the far left lane on certain interstate highways in Missouri. The Department of Transportation would have to provide signs informing the trucks of Missouri law.

All sections that are from Chapter 204 that are in this proposal have an emergency clause.

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 the Secretary of State - Rules and State Librarian  
Office of the State Auditor  
Office of the State Treasurer  
Office of State Courts Administrator  
Missouri Department of Transportation  
Missouri Department of Corrections  
Department of Natural Resources  
Department of Elementary and Secondary Education  
Office of Administration - Commissioner  
Office of Administration - Information Technology  
Office of Administration - Budget and Planning  
Department of Public Safety - Fire Safety Division  
Department of Agriculture  
State Tax Commission  
Department of Social Services  
Department of Health and Senior Services  
Department of Revenue  
Department of Economic Development - All Divisions  
Joint Committee on Public Employee Retirement  
Office of Prosecution Services  
Local Government Employees Retirement System  
St. Louis County Director of Administration  
Kansas City - Office of the City Attorney  
Boone County Collector  
Jefferson County Counselor  
Texas County Clerk  
Police Retirement System of St. Louis  
DeSoto Fire Protection District  
St. Charles County  
Pulaski County

City of West Plains  
City of Poplar Bluff  
City of Centralia  
City of Raytown

SOURCES OF INFORMATION (continued)

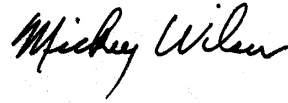
Missouri County Employees' Retirement Fund  
Police Retirement System of Kansas City  
Civilian Employees' Retirement System of the Police Department of Kansas City  
Taney County Ambulance District

NOT RESPONDING

The County Commissions of:  
Clay County  
Johnson County  
Jackson County Executive  
Franklin County

City Clerk/Administrators of:  
Knob Knoster  
Warrensburg  
Gladstone  
Joplin  
St. Louis City  
Boone County Fire Protection District  
Central Co. Fire Protection District  
Creve Coeur Fire Protection District  
Hawk Point Fire Protection District  
Hillsboro Fire Protection District  
Lake St. Louis Fire Protection District  
St. Charles County Ambulance District  
Valle Ambulance District

L.R. No. 0382-08  
Bill No. HCS for SS for SCS for SB 22  
Page 29 of 29  
April 30, 2007

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive style with a large, prominent 'M' and 'W'.

Mickey Wilson, CPA  
Director  
April 30, 2007