

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0382-12
Bill No.: Truly Agreed To and Finally Passed CCS for HCS for SS for SCS for SB 22
Subject: Political Subdivisions
Type: Original
Date: June 8, 2007

Bill Summary: Modifies laws relating to political subdivisions.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	(More than \$18,396,074)	(more than \$12,923,258)	(more than \$9,484,157)
Total Estimated Net Effect on General Revenue Fund	(More than \$18,396,074)	(more than \$12,923,258)	(more than \$9,484,157)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Board of Fund Commissioners	\$0	\$0	\$0
State School Monies	\$0	\$0	\$0
Highway	(\$8,400 to Unknown)	(Unknown)	(Unknown)
School District Trust	(\$5,945,500 to Unknown)	(\$4,290,000 to Unknown)	(\$3,144,500 to Unknown)
Parks and Soil	(\$594,550 to Unknown)	(\$429,000 to Unknown)	(\$314,450 to Unknown)

Conservation	(\$743,188 to Unknown)	(\$536,250 to Unknown)	(\$393,063 to Unknown)
Road	At Least \$33,610,738	\$26,805,250	\$19,674,512
Total Estimated Net Effect on <u>Other</u> State Funds	\$26,319,100 to (Unknown)	\$21,550,000 to (Unknown)	\$15,822,499 to (Unknown)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 32 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
	0	0	0
Total Estimated Net Effect on FTE	0	0	0

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).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Local Government	(Unknown) could exceed (\$11,704,396)	(Unknown) could exceed (\$8,526,742)	(Unknown) could exceed (\$6,289,000)

FISCAL ANALYSIS

ASSUMPTION

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.

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.

ASSUMPTION (continued)

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, 94.950, and Section 5 are **considered to be permissive and as written does not require certain defined political subdivisions 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.

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

ASSUMPTION (continued)

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, and 67.1360 allows cities to impose, with voter approval, 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 94.875 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.

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.

ASSUMPTION (continued)

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.

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”.

ASSUMPTION (continued)

Section 144.030.11 SALES TAX EXEMPTION FOR COMMON CARRIERS:

Officials of the **Missouri Department of Transportation** stated this amendment expands the sales tax exemption for common carriers which would lead to a reduction in sales tax revenue. MoDOT has no basis for estimating the negative impact therefore, there is a substantial negative unknown fiscal impact to the Highway Fund from this proposal.

**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.

**Section 144.062.6 - SALES TAX EXEMPTION ON MATERIALS USED IN
CONSTRUCTION OF HIGHWAYS, AND OTHER DHT PROJECTS:**

In response to almost identical legislation, fiscal note 0175-01 HB 248, the following fiscal impact statements were made:

Officials at the **Missouri Department of Transportation** (MoDOT) assume this legislation exempts contractors from paying sales tax on materials used in MoDOT projects. Section 144.062, RSMo., currently exempts sales of personal property and materials used for the purpose of constructing, repairing, or remodeling facilities for counties, other political subdivisions and certain exempt entities from the state sales tax. This bill would add the Department of Transportation as an exempt entity. Therefore, materials could be purchased by a contractor for a MoDOT project on a tax-exempt basis.

The sales tax which contractors currently pay on materials purchased for MoDOT projects is included in the project cost which is paid by MoDOT. Assuming that contractors would reduce their project costs due to the ability to purchase materials on a tax-exempt basis, this bill would result in a cost savings for MoDOT.

ASSUMPTION (continued)

Based on 2007-2011 Statewide Transportation Improvement Program (STIP); 50 percent of construction contracts is labor, 50 percent is materials; July 1, 2008 effective date; sales tax rate of 4.225%. The cost savings were calculated as follows:

Fiscal Year	STIP Awards	% Materials	Material Cost	Sales Tax Rate	Cost Savings
2008	\$1,189,100,000	50%	\$594,550,000	4.225%	\$25,119,738
2009	\$858,000,000	50%	\$429,000,000	4.225%	\$18,125,250
2010	\$628,900,000	50%	\$314,450,000	4.225%	\$13,285,513
2011	\$490,000,000	50%	\$245,000,000	4.225%	\$10,351,250
2012	\$490,000,000	50%	\$245,000,000	4.225%	\$10,351,250

MoDOT assumes there would be an additional amount of cost savings for the local sales tax, however the amount would vary by city/county. Therefore the additional savings is unknown.

Officials at the **Office of Administration's Budget and Planning** assume this bill would exempt contractors from paying sales tax on Missouri Department of Transportation, and the State Highways and Transportation Commission projects. This proposal will decrease General and Total State Revenues. The Department of Transportation should provide the estimate of possible increased costs and revenues to the state as a result of this proposal.

Oversight calculated the revenue impact to include a tax loss impact to local government with a sales tax rate of 2%. The chart below shows the breakdown of the tax impact on the projected materials cost.

Oversight assumes this proposal would create a savings for the Road Fund of \$37.0 million in FY 08; \$26.7 million for FY2009; and \$19.5 million for FY2010. This savings is passed on to MoDOT as it is calculated into the materials cost submitted by the vendors. Combined gains in the Road Fund equal the losses to the General Revenue Fund, School District Trust Fund, Conservation Fund, Parks and Soils Fund and local city/county funds from this proposal.

ASSUMPTION (continued)

Oversight assumes that a reduction in the federal reimbursement may occur as a result of the tax loss. The federal impact is unknown.

	Fiscal Year 2009	Fiscal Year 2010
Materials Cost	\$429,000,000	\$314,450,000
GR Fund 3%	\$12,870,000	\$9,433,500
School Fund 1%	\$4,290,000	\$3,144,500
Conservation Fund .125%	\$536,000	\$393,063
Parks and Soil Fund .1%	\$429,000	\$314,450
Local 2%	\$8,580,000	\$6,289,000
Total Savings to Road Fund	\$26,705,250	\$19,574,512

Officials at the **Department of Revenue** assume no fiscal impact for their department for this proposal.

Officials at the **Department of Conservation (MDC)** state this legislation would appear to have a negative fiscal impact on MDC funds since it appears to exempt highway construction materials and other MoDOT projects from sales tax. However, MDC is unable to provide the estimated amount and will rely on DOR for the fiscal impact of this legislation.

Officials at the **City of Centralia**, and **St. Louis County** each assume no fiscal impact from this proposal.

Officials at the **Taney County** and **Greene County** assume an unknown loss of revenue.

No other Cities or Counties responded to **Oversight's** request for information.

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 is 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.

Section 3 CONVEYANCE OF PROPERTY IN CITY OF KANSAS CITY :

Authorizes the Governor to convey certain state property located in Jackson County to the City of Kansas City.

In response to fiscal note 2107-01 SB 469 of this session, the following fiscal impact statements were made:

Officials from the **Office of Administration - Division of Facilities Management, Design & Construction** assume no fiscal impact to their agency.

ASSUMPTION (continued)

Officials from the **Department of Transportation (MoDOT)** assume the conveyance of property in Section 1, consists of property owned or leased by MoDOT. MoDOT estimated a negative fiscal impact up to \$3.5 million to relocate our maintenance facility.

The exact dollar can not be determined at this time. Further, the bill does not specify where any revenue received from the Governor's conveyance of the property will be deposited.

Oversight assumes this conveyance would occur in FY08.

Officials from the **City of Kansas City** and **Jackson County** did not respond to our request for a fiscal impact.

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.

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, Department of Insurance, Eureka Fire Protection District,

ASSUMPTION (continued)

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>	<u>FY 2008</u> <u>(10 Mo.)</u>	<u>FY 2009</u>	<u>FY 2010</u>
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GENERAL REVENUE FUND

Income - From 1% collection fee on sales tax

(Sections 67.997, 67.2040, and 67.2510, 92.500, 94.950), and (Section 5)

<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
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L.R. No. 0382-12

Bill No. Truly Agreed To and Finally Passed CCS for HCS for SS for SCS for SB 22

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June 8, 2007

Cost to Department of Elementary and
Secondary Education - Additional
payment to certain districts.

(Section 163.011 and 163.038)

(\$152,897)

(\$2,601)

(Section 163.016)

(\$33,707)

(\$50,657)

(\$50,657)

Total Cost to DESE

(\$186,604)

(\$53,258)

(\$50,657)

<u>FISCAL IMPACT - State Government</u> (continued)	<u>FY 2008</u> <u>(10 Mo.)</u>	<u>FY 2009</u>	<u>FY 2010</u>
Loss - General Revenue Fund Sales Tax Exemption (Sections 144.030 and 144.062)	(Unknown)	(Unknown)	(Unknown)
Loss - General Revenue Fund Sales Tax Exemption (Section 144.062.6)	(\$17,836,500)	(\$12,870,000)	(\$9,433,500)
Transfer of Revenue - To State School Monies Fund Offset loss of school fine monies in Jefferson County. (Section 67.320)	<u>(Less than</u> <u>\$100,000)</u>	<u>(Less than</u> <u>\$100,000)</u>	<u>(Less than</u> <u>\$100,000)</u>
ESTIMATED NET EFFECT TO STATE GENERAL REVENUE FUND	<u>(More than</u> <u>\$18,396,074)</u>	<u>(more than</u> <u>\$12,923,258)</u>	<u>(more than</u> <u>\$9,484,157)</u>
HIGHWAY FUND			
Cost - Department of Transportation posting signs, (Section 2)	(\$8,400)	\$0	\$0
Loss - Department of Transportation Sales Tax Exemption (Section 144.030.11)	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT TO HIGHWAY FUND	<u>(\$8,400 to</u> <u>Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

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

SCHOOL DISTRICT TRUST FUND

<u>Loss</u> - School District Trust Fund Sales Tax Exemption (Sections 144.030 & 144.062)	(Unknown)	(Unknown)	(Unknown)
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<u>Loss</u> - School District Trust Fund Exemption for MoDOT projects. (Section 144.062.6)	<u>(\$5,945,500)</u>	<u>(\$4,290,000)</u>	<u>(\$3,144,500)</u>
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ESTIMATED NET EFFECT TO SCHOOL DISTRICT TRUST FUND	<u>(\$5,945,500 to Unknown)</u>	<u>(\$4,290,000 to Unknown)</u>	<u>(\$3,144,500 to Unknown)</u>
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STATE SCHOOL MONIES FUND

<u>Transfer In</u> - From General Revenue To pay increase in state aid (Section 163.016)	\$33,707	\$50,657	\$50,657
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<u>Transfer In</u> - From General Revenue To offset loss in fine revenue in Jefferson County. (Section 67.320)	Less than \$100,000	Less than \$100,000	Less than \$100,000
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<u>Transfer Out</u> - to Monroe City R-II School District Modifier Change in Formula. (Section 163.016)	(\$33,707)	(\$50,657)	(\$50,657)
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<u>Transfer Out</u> - Distribution to School Districts in Jefferson County. (Section 67.320)	<u>(Less than \$100,000)</u>	<u>(Less than \$100,000)</u>	<u>(Less than \$100,000)</u>
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<u>FISCAL IMPACT - State Government</u> (Continued)	<u>FY 2008</u> (10 Mo.)	<u>FY 2009</u>	<u>FY 2010</u>
ESTIMATED NET EFFECT TO STATE SCHOOL MONIES FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
 PARKS AND SOIL FUND			
<u>Loss</u> - Parks and Soil Fund Sales Tax Exemption (Sections 144.030 & 144.062)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<u>Loss</u> - Parks and Soil Fund Sales Tax Exemption (Sections 144.062)	<u>(\$594,550)</u>	<u>(\$429,000)</u>	<u>(\$314,450)</u>
ESTIMATED NET EFFECT TO PARKS AND SOIL FUND	<u>(\$594,550 to Unknown)</u>	<u>(\$429,000 to Unknown)</u>	<u>(\$314,450 to Unknown)</u>
 CONSERVATION FUND			
<u>Loss</u> - Conservation Fund Sales Tax Exemption (Sections 144.030 & 144.062)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<u>Loss</u> - Conservation Fund Sales Tax Exemption (Section 144.062)	<u>(\$743,188)</u>	<u>(\$536,250)</u>	<u>(\$393,063)</u>
ESTIMATED NET EFFECT TO CONSERVATION FUND	<u>(\$743,188 to Unknown)</u>	<u>(\$536,250 to Unknown)</u>	<u>(\$393,063 to Unknown)</u>

<u>FISCAL IMPACT - State Government</u> (Continued)	<u>FY 2008</u> (10 Mo.)	<u>FY 2009</u>	<u>FY 2010</u>
BOARD OF FUND			
COMMISSIONERS (Sections 644.597, 644.598, and 644.599)			
<u>Income</u> - Board of Fund Commissioners			
Sale of Bonds	\$0 to \$40,000,000	\$0 to \$40,000,000	\$0 to \$40,000,000
<u>Income</u> - Fees for Storm Water Control	\$0 to \$3,570,033	\$0 to \$3,570,033	\$0 to \$3,570,033
<u>Cost</u> - Local Revenue Backed by Storm Water Control Fees	\$0 to (\$40,000,000)	\$0 to (\$40,000,000)	\$0 to (\$40,000,000)
<u>Cost</u> - Payment of Bonds	<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>
ESTIMATED NET EFFECT ON BOARD OF FUND COMMISSIONERS			
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
ROAD FUND			
<u>Savings</u> - Road Fund			
Exemption for MoDOT projects (Section 144.062.6)	\$37,010,738	\$26,705,250	\$19,574,512
<u>Cost</u> - Relocation of Maintenance Facility (Section 3)	<u>Up to</u> <u>(\$3,500,000)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT TO ROAD FUND			
	<u>At Least</u> <u>\$33,610,738</u>	<u>\$26,805,250</u>	<u>\$19,674,512</u>

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

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

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

COUNTY TOURISM FUND
(Section 67.1181)

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

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

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

Total Costs to Ambulance District Fund **\$0 to** **\$0 to** **\$0 to**
(Unknown) **(Unknown)** **(Unknown)**

PUBLIC WATER SUPPLY
DISTRICTS

Savings - Election costs due to changes in
 director's terms. Minimal Minimal Minimal

<u>Estimated Net Effect</u> to Public Water Supply Districts (Section 247.060)	<u>Minimal</u>	<u>Minimal</u>	<u>Minimal</u>
<u>FISCAL IMPACT - Local Government</u> (continued)	<u>FY 2008</u> <u>(10 Mo.)</u>	<u>FY 2009</u>	<u>FY 2010</u>

FIRE PROTECTION DISTRICT FUND (Section 321.162)

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

CITIES, COUNTIES, SPECIAL DISTRICTS SALES TAX FUNDS

<u>Income</u> - From voter approved sales tax.	Unknown	Unknown	Unknown
<u>Costs</u> - From administering defined purpose of sales tax.	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<u>Estimated Net Effect</u> to Cities, Counties, Special Districts (Sections 67.997, 67.2040, 67.2510, 92.500, 94.950, and (Section 5) *)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

CITIES OF SULLIVAN, HOLLISTER, AND GLADSTONE, TOURISM FUND

<u>Income</u> - From voter approved transient guest tax.	Unknown	Unknown	Unknown
<u>Cost</u> - From promotion of tourism.	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

Estimated Net Effect to Counties and
 Cities of Sullivan, Hollister and Gladstone
 Tourism Fund. (Sections 67.1003, and
 67.1360) *

	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u> (continued)	<u>FY 2008</u> (10 Mo.)	<u>FY 2009</u>	<u>FY 2010</u>

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

<u>Loss</u> - Political Subdivisions Sales Tax Exemption on MoDOT projects, (Section 144.062.6)	<u>(\$11,891,000)</u>	<u>(\$8,580,000)</u>	<u>(\$6,289,000)</u>
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<u>Loss</u> - Political Subdivisions sales tax exemption on common carriers (Section 144.030.11)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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TOTAL ESTIMATED NET EFFECT TO LOCAL GOVERNMENT	<u>(Unknown)</u> <u>could exceed</u> <u>(\$11,704,396)</u>	<u>(Unknown)</u> <u>could exceed</u> <u>(\$8,526,742)</u>	<u>(Unknown)</u> <u>could exceed</u> <u>(\$6,238,343)</u>
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*** 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 pay, 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 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.

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.

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 87.006 provides that any condition of cancer which affects certain bodily systems, as well as any condition of cancer which may result from exposure to heat or radiation or to a known or suspected carcinogen, as determined by the International Agency for Research on Cancer, which results in the total or partial disability or death to a uniformed member of a paid fire department who successfully passes a physical exam within 5 years prior to the time a claim is made, shall be presumed to be suffered in the line of duty for the purposes of computing retirement benefits for

firefighters unless the contrary can be shown by competent evidence and it can be proven to a reasonable degree of medical certainty that the condition did not result nor was contributed to by the voluntary use of tobacco.

DESCRIPTION (continued)

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

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 144.030.11 - Sales Tax Exemption on Common Carriers.

Sections 144.030 & 144.062 - Sales Tax Exemption on 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 144.062.6 -Sales Tax Exemption for Construction Materials used on Highway Projects:

This act exempts contractors from paying sales taxes on materials used in Department of Transportation projects. The sales tax exemption does not go into effect until July 1, 2007.

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.

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.

DESCRIPTION (continued)

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.

Section 3 authorizes the conveyance of certain state property located in Jackson County to the City of Kansas City and may have an effect on the Road Fund.

Section 5 allows fire protection districts in Douglas County to impose a sales tax of up to 1%.

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

RWB:LR:OD (12/02)

Missouri Department of Transportation
Missouri Department of Corrections

SOURCES OF INFORMATION (continued)

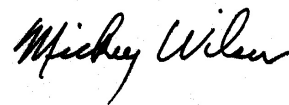
Department of Natural Resources
Department of Elementary and Secondary Education
Office of Administration - Commissioner
Office of Administration - Information Technology
Office of Administration - Budget and Planning
Department of Public Safety - Fire Safety Division
Department of Agriculture
State 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
Department of Insurance
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
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
Eureka Fire Protection 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



Mickey Wilson, CPA

L.R. No. 0382-12

Bill No. Truly Agreed To and Finally Passed CCS for HCS for SS for SCS for SB 22

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