

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3074-05  
Bill No.: HCS for SCS for SB 765  
Subject: Counties, Cities, Towns, and Villages  
Type: Original  
Date: May 5, 2008

Bill Summary: This proposal modifies laws relating to local governments, and the regulation of sexually oriented businesses. Section 72.080 has an emergency clause.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
General Revenue	(\$70,007)	(\$58,941)	(\$60,709)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(\$70,007)</b>	<b>(\$58,941)</b>	<b>(\$60,709)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 11 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
<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>			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
General Revenue	1FTE	1 FTE	1 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>1 FTE</b>	<b>1 FTE</b>	<b>1 FTE</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>			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
<b>Local Government</b>	<b>\$1,875</b>	<b>\$2,250</b>	<b>\$2,250</b>

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## FISCAL ANALYSIS

### ASSUMPTION

#### **Section 72.080 - Incorporation of Villages This Section has an Emergency Clause:**

In response to a previous version, fiscal note 3074-02, SB 765 the following local governments issued the following fiscal impact statements

**St. Louis County** officials assume no fiscal impact.

Officials of the **Taney County Commission** stated that this proposal in their opinion reinstates needed county control over the formation of villages. Absent such control a developer could form a village for the sole purpose of circumventing County Ordinances, including planning and zoning laws. Officials stated that citizens do not benefit from a village with an inadequate financial base that cannot provide even the most basic services. Officials stated that “while difficult to quantify, this proposal has the potential to save Taney County millions of dollars”.

**Oversight** assumes no state fiscal impact.

#### **Section 190.450 and 190.451- Provides for Wireless Fee to fund the purchasing of 911 Equipment, Training, and Related Services:**

Officials of the **Department of Economic Development - Public Service Commission** assume no fiscal impact to the Commission.

**Oversight** assumes this section as written is permissive and would require local action with voter approval before any fiscal impact would be realized. This section allows only first class charter counties and first class non-charter counties to assess a fee on wireless phones for the purpose of funding 911 related public safety purposes.

**Oversight** has no way of knowing the number of wireless phones that are in use in these counties.

ASSUMPTION (continued)

**Oversight** will make the following assumptions in figuring the fiscal impact of this section.

**Oversight** assumes there are 3 first class charter counties, and 14 first class non-charter counties. The total population of these counties, based on the 2000 census, is 3,411,002.

**Oversight** assumes that 50% , ( 3,411,002 X 50% = 1,705,501), of the people in these counties have a wireless phone that would be subject to paying a monthly fee that could not exceed seventy-five cents per number. **Oversight** assumes if the voters in all eligible first class counties were to approve the maximum fee allowed of \$.75 cents times 1,705,501 numbers, the total monthly amount of income generated by the maximum fee would be \$1,279,126. **Oversight** has no way of knowing the amount of fee that voters might approve in their county.

**Sections 311.060 and 311.489 - Kansas City Festival District:**

Officials from the **Department of Public Safety - Alcohol and Tobacco Control (ATC)** state this bill would allow for a new license type for promotional associations within a festival district. The festival district must include three or more alcohol licensed businesses and a common area and must be closed to traffic. The promotional association would be required to submit a plan to the city with details about the event and would be permitted to sell liquor for consumption within the district common including on Sunday. Customers would be permitted to leave the licensed establishment with an alcoholic beverage and consume it within the festival district. Minors allowed at the event must be easily distinguished from persons of legal age. The ATC would need an additional Agent to conduct party patrols and walk-throughs during festival events to assure that alcohol is not being provided to underage patrons outside the licensed establishments in the festival district, and that sales are not made to intoxicated persons. Any new license type that increases the availability of alcohol would require additional enforcement staff.

The ATC assumes an annual fee revenue resulting from this proposal of \$900 per year (three licenses) to the General Revenue Fund as well as \$1,350 (150% of state fee) to cities and \$900 (100% of state fee) to counties.

The ATC assumes a total cost of the additional FTE to be \$70,007 in FY 2009 (which includes the purchase of a \$16,000 vehicle), and roughly \$60,000 per year thereafter.

Officials from the **City of Kansas City** did not respond to our request for fiscal impact; however, in response to a similar proposal from 2007 (HB 736), Kansas City assumed no fiscal impact.

ASSUMPTION (continued)

**Section 407.311 - Telephone Companies - Fictitious Name:**

Officials from the **Department of Economic Development – Public Service Commission** and the **Office of the Secretary of State** assume the proposal would have no fiscal impact on their agencies.

Officials from the **Office of the Attorney General** assume any potential costs arising from this proposal can be absorbed within existing resources.

Officials from the **Office of State Courts Administrator** assume the proposed legislation would have no fiscal impact on the courts.

Officials from the **Department of Corrections (DOC)** assume they cannot currently predict the number of new commitments which may result from the creation of the offense(s) outlined in this proposal. An increase in commitments depends on the utilization by prosecutors and the actual sentences imposed by the court.

If additional persons are sentenced to the custody of the DOC due to the provisions of this legislation, the DOC will incur a corresponding increase in operational cost either through incarceration (FY07 average of \$41.21 per inmate per day, or an annual cost of \$15,040 per inmate) or through supervision provided by the Board of Probation and Parole (FY07 average of \$2.43 per offender per day, or an annual cost of \$887 per offender).

The following factors contribute to DOC's minimal assumption:

- DOC assumes the narrow scope of the crime will not encompass a large number of offenders;
- The low felony status of the crime enhances the possibility of plea-bargaining or imposition of a probation sentence; and
- The probability exists that offenders would be charged with a similar but more serious offense or that sentences may run concurrent to one another.

In summary, supervision by the DOC through probation or incarceration would result in some additional costs, but it is assumed the impact would be \$0 or a minimal amount that could be absorbed within existing resources.

ASSUMPTION (continued)

Officials from the **Office of Prosecution Services (OPS)** are not aware of any estimates of the number of additional criminal cases that would be referred to county prosecutors for charges because of this proposed legislation. Additionally, the OPS is not otherwise able to establish a workable estimate of the number of additional criminal cases that would be referred to county prosecutors for charges, though it is not believed that a significant number of additional criminal case referrals would result from this proposed legislation. Therefore, OPS assumes any fiscal impact will not be significant for county prosecutors or the OPS.

**Oversight** assumes the Office of Prosecution Services and county prosecutors could absorb any additional costs incurred as a result of the proposed legislation within

**Sections 573.525 - 573.540 - Sexually Oriented Businesses:**

Officials of the **Attorney General's Office** assume any impact could be absorbed with existing resources.

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

Officials of the **Department of Public Safety - Alcohol and Tobacco Control Division** assume no fiscal impact.

Officials of the **Department of Corrections** assume no fiscal impact.

Officials of the **Office of Prosecution Services** stated that the changes proposed in this legislation could potentially increase the number of cases referred to prosecuting attorneys for criminal charges, but it is assumed that any increase could be handled without adding any personnel and therefore would not have a significant direct fiscal impact on County Prosecutors.

**Oversight** assumes local authorities would realize some costs in enforcement of these new laws. **Oversight** does not know the number of entities that would be affected by Sections 573.525 - 573.540, nor how many cities or counties these are located in.

**Oversight** assumes substantial compliance with the law by those businesses that would be affected by this proposal. **Oversight** assumes income from fines to be minimal, and costs to local law enforcement to be minimal and could be absorbed with existing resources.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
<b>GENERAL REVENUE</b>			
<b><u>Income</u> - Alcohol &amp; Tobacco Control</b>			
Liquor license revenue from festival district permits ( <b>Section 311.489</b> )	\$750	\$900	\$900
<b><u>Costs</u> - Alcohol and Tobacco Control</b>			
Personal Service (1 FTE)	(\$28,871)	(\$35,684)	(\$36,755)
Fringe Benefits	(\$12,767)	(\$15,779)	(\$16,253)
Expense and Equipment	(\$28,369)	(\$7,478)	(\$7,701)
<b><u>Total Costs</u> - ATC</b>	<b><u>(\$70,007)</u></b>	<b><u>(\$58,941)</u></b>	<b><u>(\$60,709)</u></b>
<b>FTE Change ATC</b>	1 FTE	1 FTE	1 FTE
<b>ESTIMATED NET EFFECT TO GENERAL REVENUE FUND</b>	<b><u>(\$70,007)</u></b>	<b><u>(\$58,941)</u></b>	<b><u>(\$60,709)</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
<b>FIRST CLASS CHARTER AND NON-CHARTER COUNTIES - SPECIAL 911 FUND (Sections 190.450 and 190.451)</b>			
<b><u>Income</u> - To Certain First Class Counties Special 911 Fund.</b>			
	\$0 to \$1,279,126	\$0 to \$1,279,126	\$0 to \$1,279,126
<b><u>Costs</u> - To Certain First Class Counties Special 911 Fund.</b>			
	<u>\$0 to</u> <u>(\$1,279,126)</u>	<u>\$0 to</u> <u>(\$1,279,126)</u>	<u>\$0 to</u> <u>(\$1,279,126)</u>
<b><u>Estimated Net Effect</u> to Certain First Class Counties Special 911 Fund.</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT - Local Government</u> (continued)	FY 2009 (10 Mo.)	FY 2010	FY 2011
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**LOCAL POLITICAL SUBDIVISIONS  
 (Section 311.489)**

<b>Cities</b> - Increase liquor license revenue from festival district permits	\$1,125	\$1,350	\$1,350
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<b>Counties</b> - Increase liquor license revenue from festival district permits	<u>\$750</u>	<u>\$900</u>	<u>\$900</u>
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<u>FISCAL IMPACT - Local Government</u> (continued)	FY 2009 (10 Mo.)	FY 2010	FY 2011
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<b>ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS    (Section 311.489)</b>	<u>\$1,875</u>	<u>\$2,250</u>	<u>\$2,250</u>
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<b>ESTIMATED NET EFFECT TO LOCAL GOVERNMENT</b>	<u>\$1,875</u>	<u>\$2,250</u>	<u>\$2,250</u>
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FISCAL IMPACT - Small Business

**Sections 190.450 and 190.451 - Wireless Fee - 911 Services**

If voters in any first class county were to approve a fee on every wireless number from any wireless device capable of accessing the 911 system, a small business located within that county would be expected to pay the monthly fee on any wireless system meeting this proposals description.

**Sections - 311.489 - Kansas City Festival District:**

Small businesses that desire to create a festival district could be fiscally impacted as a result of this proposal.

**Sections 573.525-573.540 - Regulation of Sexually Oriented Businesses:**

Sexually oriented businesses could be fiscally impacted as a result of this proposal.



## FISCAL DESCRIPTION

**Sections 190.450 and 190.451** - This section allows for a voter approved wireless fee in all first class counties for the purpose of funding police departments to purchase 911 equipment, training, and other 911 related services.

**Section 311.489** - This section allows a Kansas City festival district's promotional association to obtain a license to sell intoxicating liquor and nonintoxicating beer for consumption at the businesses and common areas within the festival district. The promotional association may apply for a festival district special license by submitting a plan to the governing body of the city and getting approval by a majority vote. If approved, the association may apply to the Supervisor of Alcohol and Tobacco Control for such license.

Such promotional association may permit customers to leave an establishment within the district after purchasing alcohol and consume the beverage in the district common areas or another establishment, but no person shall be allowed to take a alcoholic beverage outside the festival district boundaries. If minors are allowed to enter the district, the applicant must ensure they are easily distinguishable from persons of legal age. The permit holder is solely responsible for any alcohol violations occurring within the common areas. The promotional association may be assessed a civil fine of not more than \$5,000 for a violation. If the association is found to be responsible for violations at three separate events, its license shall be revoked and not reissued.

**Section 407.311** - This section prohibits an individual or business organization from misrepresenting their geographic location by using a fictitious or assumed business name in a telephone directory or directory assistance database. Anyone that would violate the provisions of this section would be guilty of a class B misdemeanor.

### **Sections 573.525-573.540 - Regulation of Sexually Oriented Businesses:**

These sections regulate sexually oriented businesses. No person shall establish a sexually oriented business within 1,000 feet of any school, house of worship, licensed day care facility, public library, public park, residence, or other sexually oriented business. Such businesses shall not remain open between the hours of midnight and 6:00 a.m., nor shall they sell alcohol on the premises. No one under the age of eighteen shall be allowed on the premises.

No person shall establish a sexually oriented business if a person with an influential interest in the business has been convicted of certain criminal acts.

FISCAL DESCRIPTION (continued)

These sections prohibits employees of sexually oriented businesses from engaging in certain activities, either in a nude or semi-nude state.

A sexually oriented business which exhibits films on the premises must meet certain requirements regarding the area where the films are shown.

Any person or entity violating these sections is guilty of a misdemeanor and shall be punished by a fine of up to \$500 or imprisonment for not more than 90 days. Each day of violation shall be considered a separate occurrence.

Any such business repeatedly operated in violation of these sections shall constitute a public nuisance and shall be subject to civil abatement proceedings initiated by the state.

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

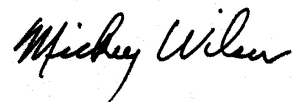
Office of the Attorney General  
Office of the Secretary of State  
Office of State Courts Administrator  
Department of Corrections  
Office of Prosecution Services  
Department of Economic Development - Public Service Commission  
Department of Public Safety - Alcohol and Tobacco Control  
City of Kansas City  
St. Louis County Executive  
Taney County Commission

NOT RESPONDING

Butler County Commission  
Callaway County Commission  
Cape Girardeau County Commission  
Franklin County Commission

NOT RESPONDING (continued)

Greene County Commission  
Hickory County Commission  
Jefferson County Commission  
New Madrid County Commission  
Ozark County Commission  
Pulaski County Commission  
Bates County Commission  
Texas County Commission  
Webster County Commission  
Warren County Commission  
Boone County Sheriff  
Buchanan County Sheriff  
Clark County Sheriff  
Greene County Sheriff  
Independence Police Department  
Kansas City Police Department  
Springfield Police Department  
St. Charles Police Department  
St. Joseph Police Department  
St. Louis Metropolitan Police Department



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