

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4619-04
Bill No.: SCS for HCS for HB 1804 with SA 1
Subject: Cities, Towns, and Villages: Charter
Type: Original
Date: May 13, 2008

Bill Summary: Section 82.020 Permits cities with more than 5,000 inhabitants to frame a charter as provided in Sections 19 and 20 of Article VI of the Constitution. This Section has an emergency clause. Section 313.820 repeals limitations on the expenditure of excursion gambling boat admission fee revenues by the City of St. Charles, and St. Charles County.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

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

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
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 2009	FY 2010	FY 2011
Local Government	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown

FISCAL ANALYSIS

ASSUMPTION

Oversight assumes Section 77.105 as amended would have no fiscal impact.

In response to identical legislation with regards to Section 82.020, contained in fiscal note 4619-02, the following fiscal impact statements were issued:

Officials of the **Cities of Centralia** and **West Plains** assume no fiscal impact.

Oversight assumes this proposal is amending state law to make it compatible with the Missouri Constitution, Sections 19 and 20 of Article VI. Section 19 of the Missouri Constitution currently allows cities with a population of 5,000 or more to form a charter. Missouri's current law states that cities with a population of 10,000 or more may form a charter.

Oversight assumes there would be no state or local fiscal impact.

Section 313.820 - Gambling boat admission fee revenues in St. Charles City and County:

Officials of the **Gaming Commission** assume no fiscal impact.

Oversight assumes that subsection 3 of Section 313.820 in this proposal is being repealed. This subsection limited the amount of revenues derived from admission fees for gaming boats in St. Charles City and County, after fiscal year 2007. This section also set limitations on the expenditure of gaming boat admission fee revenues in fiscal years 2010, and 2015. Any revenue collected in excess of the limitation provided for after fiscal year 2007, would require a rolling back of property tax rates.

Oversight assumes that by repealing subsection 3 would negate the rolling back of property taxes, providing that revenues were in excess of the limitations provided for. **Oversight** assumes, based on a Gaming Commission fiscal year project summary, that gaming admission revenues in St. Charles City and County are declining. In FY 2005 gaming admission fees were \$10,613,823 and \$ 9,966,008 in FY 2006, and in FY 2007 they were \$9,037,950.

Oversight will show that by repealing subsection 3 that the fiscal impact to St. Charles City and County could either be \$0 or there could be a positive savings from not having to roll back the property tax levy, providing that fees would have been in excess of the limitations provided for.

<u>FISCAL IMPACT - State Government</u>	FY 2009	FY 2010	FY 2011
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2009	FY 2010	FY 2011
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CITY OF ST. CHARLES - LOCAL GOVERNMENT

<u>Potential Savings</u> - To St. Charles City From repeal of property tax roll back provision in Section 313.820.	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
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ESTIMATED NET EFFECT TO LOCAL GOVERNMENT - ST. CHARLES CITY	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

Section 77.105 - Has been amended to require that in third class cities, the budget or any authorization to expend funds would need to be approved by an ordinance, motion, or resolution that is approved by a majority of all the members elected to the governing body.

Section 82.020 modifies the law to make this section compatible with the State Constitution.

Section 313.820 - Current law limits the amount of revenue derived from admission fees for gaming boats a home dock city or county may collect after fiscal year 2007 to the percentage of revenue attributable to admission fees for fiscal year 2007. In the case of a new casino, the revenue from such casino will be limited to the average percentage of revenue attributable to admission fees for the first two fiscal years of the casinos operation. Effective in FY 2010, revenue derived from admission fees to gaming boats, by a home dock city or county that goes toward expenses other than capital, cultural, and special law enforcement expenditures shall be

limited to 30 percent.

DESCRIPTION (continued)

Effective in FY 2015 and each year thereafter, these expenditures for items other than capital, cultural and special law enforcement purposes shall be limited to 20 percent. Any revenue collected in excess of the limitation provided in this act after fiscal year 2007, will have the effect of rolling back property tax rates. Section 313.820.3 is being repealed

The repeal of subsection 3 of Section 313.820 only affects the City of St. Charles.

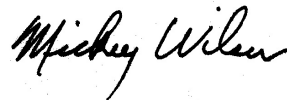
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Missouri Gaming Commission
City of Centralia
City of West Plains

NOT RESPONDING

City of Boone Terre
City of Bernie
City of Kearney
City of Knob Noster
City of Linn
City of Louisiana
City of Pacific



Mickey Wilson, CPA
Director
May 13, 2008