

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5180-04
Bill No.: SCS for HB 1553
Subject: Cities, Towns and Villages; County Officials; Counties, Courts, Fees, Libraries and Archives; Political Subdivisions; Taxation and Revenue - Sales and Use
Type: Original
Date: May 12, 2014

Bill Summary: This proposal would modify provisions relating to political subdivisions.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 14 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
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 2015	FY 2016	FY 2017
Local Government	Could exceed \$89,400	Could exceed \$89,400	Could exceed \$89,400

FISCAL ANALYSIS

ASSUMPTION

Sections 50.660 and 50.783, RSMo. - County Purchasing:

In response to similar language in SB 854 LR 4302-01, officials from **Christian County** assumed no fiscal impact from the proposal. County officials noted this proposal would actually save the County money by reducing the amount of advertising in the newspaper.

Officials from **Boone County** and **Greene County** did not respond to **Oversight's** request for information.

Oversight assumes these provisions would have no fiscal impact on the state or on local governments.

Section 67.281, RSMo. - Installation of Fire Sprinklers:

In response to a similar language in HCS for SCS for SB 854 LR 4302-05, officials from the **Department of Economic Development** and the **Department of Public Safety - Division of Fire Safety** assumed no fiscal impact to their respective agencies from the proposal.

In response to a similar language in HCS for SCS for SB 854 LR 4302-05, officials from the **City of Columbia** and **St. Louis County** each assumed no fiscal impact to their respective organizations from the proposal.

Oversight assumes this provision would have no fiscal impact on the state or on local governments.

Sections 82.1025, 82.1027, 82.1028, 82.1029, and 82.1030, - RSMo. and Section 1 - Nuisance Ordinances:

In response to similar language in SCS for SB 731 LR 5065-02, officials from the **Office of the Attorney General** assumed any potential costs arising from the proposal could be absorbed with existing resources.

ASSUMPTION (continued)

In response to similar language in SCS for SB 731 LR 5065-02, officials from the **Office of the State Courts Administrator (CTS)** assumed the fiscal impact of the proposal would not be in excess of \$100,000.

Oversight assumes any costs to CTS relating to the proposal could be absorbed with existing resources.

In response to similar language in SCS for SB 731 LR 5065-02, officials from the **Office of the State Public Defender** assumed no fiscal impact from the proposal.

In response to similar language in SCS for SB 731 LR 5065-02, officials from the **Department of Natural Resources** and the **Office of Prosecution Services** each assumed no fiscal impact to their respective agencies from the proposal.

In response to similar language in SCS for SB 731 LR 5065-02, officials from **St. Louis County** and the **City of Columbia** each assumed no fiscal impact from the proposal.

In response to similar language in SCS for SB 731 LR 5065-02, officials from the **City of Kansas City**, the **City of Jefferson** and **Cole County** each assumed no fiscal impact to their respective organizations from the proposal.

Officials from the following cities: Clayton, Fulton, Harrisonville, Independence, Liberty, Springfield, St. Charles, St. Joseph and St. Louis did not respond to our request for information.

Officials from the following counties: Boone, Buchanan, Callaway, Camden, Cape Girardeau, Cass, Clay, Franklin, Greene, Jackson, Jefferson, Platte, St. Charles, St. Francois, and Taney did not respond to our request for information.

Oversight notes these provisions are permissive and assumes any fiscal impact would depend on local government action to enforce local ordinances which might be adopted. Those costs would not be a direct impact of this proposal and will not be included in this fiscal note.

ASSUMPTION (continued)

Section 94.579, RSMo - Ballot Language for Public Safety Sales Tax:

In response to similar language in SB 607 LR 4456-01, officials from the **Office of Administration - Division of Budget and Planning** noted the proposal would change enabling language regarding a public safety sales tax and assumed it would have no direct impact on Total State Revenues.

In response to similar language in SB 607 LR 4456-01, officials from the **Office of the State Treasurer**, the **Missouri State Tax Commission**, the **Department of Revenue (DOR)** and the **Office of the Secretary of State (SOS)** each assumed no fiscal impact to their respective agencies from the proposal.

Officials from the **City of Springfield** did not respond to **Oversight's** request for information.

Oversight assumes this provision would have no fiscal impact on the state or on local governments.

Section 137.133, RSMo. - Required Statement on Assessor's Correspondence:

This provision would require a specific statement on all correspondence with taxpayers from the Assessor of St. Louis County.

Oversight did not receive any responses on this language, and assumes the requirement could be met at minimal cost which could be absorbed by the Assessor's Office.

Section 162.481, RSMo. - School Board Elections:

Under current law, school district directors in the City of Springfield serve three-year terms. This provision would update the description of the City of Springfield.

Oversight assumes this provision would have no fiscal impact on the state or on local governments.

ASSUMPTION (continued)

Section 182.802, RSMo. - Library District Sales Tax:

In response to a previous version of this proposal, officials from the **Office of the Secretary of State (SOS)** assumed the proposal would allow public libraries in Saline County to put before the voters a maximum one half cent sales tax to support library services. The sales tax could potentially provide a good revenue source for library service, and reduce the need for property tax increases.

In response to a previous version of this proposal, officials from the **Office of Administration - Division of Budget and Planning (BAP)** assumed the proposal would not result in any additional costs or savings to their organization.

BAP officials noted the proposal would allow Saline County, upon voter approval, to levy a sales tax of up to 0.5% for a public library district. BAP officials stated the Department of Revenue reported taxable sales in Saline County in 2012 of \$194.6 million. Therefore this proposal might generate $(\$194,600,000 \times 1/2\%) = \$973,000$ in local revenues.

In response to a previous version of this proposal, officials from the **Department of Revenue (DOR)** provided a response that did not indicate an administrative impact to their organization.

Oversight assumes any administrative impact to DOR would be minimal and could be absorbed with existing resources.

DOR officials provided an estimate of the IT cost to implement this proposal of \$1,092 based on 40 hours of programming to make changes to DOR systems.

Oversight assumes OA - ITSD (DOR) is provided with core funding to handle a certain amount of activity each year. Oversight assumes OA - ITSD (DOR) could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, OA - ITSD (DOR) could request funding through the budget process.

In response to a previous version of this proposal, officials from the **Marshall Public Library** assumed the proposal would not have a fiscal impact on their organization.

Officials from **Saline County** did not respond to Oversight's request for information.

ASSUMPTION (continued)

Oversight notes this proposal would allow Saline County officials to submit a proposition to the voters for a one-half cent sales tax for library purposes.

Since this proposal is permissive, any fiscal impact related to this proposal would result from future action by county officials and would be dependent on voter approval. Accordingly, this proposal has no direct fiscal impact.

Sections 190.335 and 190.339, RSMo. - Greene County Emergency Telephone Service Board:

In response to similar language in SB 690 LR 4811-01, officials from the **Department of Revenue** and the **Department of Economic Development - Public Service Commission** each assumed no fiscal impact to their respective agencies from this proposal.

Officials from **Greene County** did not respond to **Oversight's** request for fiscal impact.

Oversight assumes this provision would not have a fiscal impact to the state or to local governments.

Section 349.045, RSMo. - Industrial Development Corporations:

Under current law, directors of industrial development corporations in first class counties must be duly qualified electors of and taxpayers in the county or municipality. This provision would specify that directors of an industrial development corporation formed by a municipality in St. Francois County could be be taxpayers and registered voters in the county.

Oversight assumes this provision would not have a fiscal impact to the state or to local governments.

ASSUMPTION (continued)

Section 488.2206, RSMo. - Court Surcharge in the 31st Judicial Circuit:

In response to similar language in HCS for SB 621 LR 4246-05, officials from the **Office of State Courts Administrator (CTS)** noted the proposed language would authorize a surcharge in criminal proceedings filed in the Thirty-First Judicial Circuit. CTS officials stated during the past five years (2009 to 2013) there was an average of 7,750 cases with guilty outcomes for criminal cases, including violations of any county or municipal ordinance or any violation of a criminal or traffic law. In addition, the Fine Collection Center (FCC) has received a five year average of 3,425 violations disposed by guilty plea.

CTS officials noted, based on the surcharge of up to \$10 and an average collection rate of 80%, the projected annual increase in court fees would be \$89,400. CTS officials stated they currently have no way to determine how many guilty outcomes or paid guilty outcomes would occur, and assumed surcharge revenue would range from \$89,400 to unknown.

Oversight will include the estimated revenue in this fiscal note.

In response to similar language in HCS for SB 621 LR 4246-05, officials, officials from the **Department of Social Services** assume no fiscal impact from the proposal.

Officials from **Greene County** did not respond to our request for information.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
LOCAL POLITICAL SUBDIVISION FUNDS			
<u>Revenue - Court surcharge</u> Section 488.2206	Could exceed <u>\$89,400</u>	Could exceed <u>\$89,400</u>	Could exceed <u>\$89,400</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	Could exceed <u>\$89,400</u>	Could exceed <u>\$89,400</u>	Could exceed <u>\$89,400</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This act modifies provisions relating to political subdivisions.

County Bidding Requirements, Sections 50.660 and 50.783, RSMo.

Under current law, Boone and Greene counties are not required to obtain bids on purchases of \$6,000 or less. In addition, current law also provides that Boone and Greene counties are only required to advertise and post notice on proposed purchases that exceed \$6,000 when the county commission determines that there is only one feasible source for the supply. Other counties must post notice for such proposed purchases of at least \$3,000 and also advertise in the newspaper for such purchases of at least \$5,000.

This provision would authorize the same exemptions for Christian County.

Installation of Fire Sprinklers, Section 67.281, RSMo.

Currently, builders of one and two family dwellings must offer to install fire sprinklers in the home. This provision has an expiration of December 31, 2019, and the proposal would extend the expiration date to December 31, 2024.

FISCAL DESCRIPTION (continued)

Nuisance Abatement, Sections 82.1025, 82.1027, 82.1028, 82.1029, 82.1030, and Section 1 of the proposal:

Under current law, property in certain counties and cities is considered a nuisance if it adversely affects the property values of a neighborhood due to neglect or violation of a code or standard in addition to other reasons. This proposal would specify that the property is also a nuisance if it affects the value of any property in the neighborhood and adds the actions of failure to reasonably maintain the property and violations of ordinances to the list of actions that lead to liability for the nuisance.

Current law allows any person who owns property within a reasonable distance to nuisance property in such counties and cities to bring a nuisance action for damages. This proposal would limit that ability to those who live within 1,200 feet.

Current law allows a neighborhood organization in such cities and counties representing any person who could maintain a nuisance action to bring a nuisance action for injunctive relief. This proposal would specify that anyone who owns property within 1,200 feet of the nuisance may also bring an action for injunctive relief. In addition, his proposal would redefine neighborhood organization and would specify that such organizations may bring nuisance actions on behalf of any person who owns property within the neighborhood described in the organization's articles of incorporation or bylaws. This provision would require a neighborhood organization to certify certain facts when filing a nuisance action.

This proposal would specify that provisions regarding a neighborhood association's ability to bring nuisance actions that currently apply to Kansas City would also apply to the City of St. Louis. This proposal would modify the definitions governing these provisions and the notice requirements for such actions.

Current law allows a neighborhood organization representing persons aggrieved by an ordinance violation in Kansas City to seek injunctive relief. This proposal would act allow a neighborhood organization in St. Louis or Kansas City to seek injunctive relief on behalf of an owner or resident of property that is within 1,200 feet of a property on which there is a code violation that is in the neighborhood described in the articles or bylaws of the organization, or on its own behalf with respect to a violation on property anywhere in the neighborhood.

ASSUMPTION (continued)

Current law prohibits nuisance actions against residential rental properties by neighborhood organizations unless the municipal code enforcement agency has issued a nuisance violation notice at least 45 days before the action is brought. This proposal would repeal the limitation and would provide that the action may not be brought if there is a citation pending against the property by the city based on a violation of the same code or ordinance provision unless it has been pending for at least 45 days and the violation has not been abated.

This proposal would prohibit neighborhood organizations from bringing nuisance actions if the organization has certain interests in real estate in the city or county in which the nuisance property is located.

This proposal would repeal a provision of current law which specifies that standing is not granted under the statutes for a nuisance action in Kansas City involving a physical interior defect or a violation of municipal alcoholic beverages laws.

This proposal would prohibit actions are prohibited from being brought against a property owner who is in good faith compliance with an order issued by the Department of Natural Resources, Environmental Protection Agency, or the Attorney General's Office.

Public Safety Sales Tax, Section 94.579, RSMo.

Currently, every five years the city of Springfield must submit to the voters the question of whether to repeal its public safety sales tax. This proposal would modify the ballot language so the question would be whether to continue the tax; failure by the voters to approve continuation would result in a repeal of the tax.

County Assessor Correspondence, Section 137.133, RSMo.

This proposal would require the assessor in St. Louis County to place on correspondence with taxpayers a statement that disclosure of information is voluntary and will become public record if disclosed. The requirement provision would not apply to request for information regarding the required listing of property or listing of lessees.

FISCAL DESCRIPTION (continued)

Springfield School Board Terms, Section 162.481, RSMo.

This proposal would update the description of the City of Springfield for the election of school district directors.

Public Library District, Section 182.802, RSMo.

This proposal would authorize any public library district in Saline County to impose a sales tax not to exceed one-half of one cent upon voter approval.

Greene County 911 Board, Section 190.335 and 190.339, RSMo.

This proposal would specify that the emergency telephone service board appointed by Greene County is not to be considered a body corporate and a political subdivision of the state for any purpose unless the county commissioners unanimously adopt an order reclassifying the board as such.

Industrial Development Corporation Directors, Section 349.045, RSMo.

This proposal would allow directors of any industrial development corporation formed by a municipality in St. Francois County to be taxpayers and registered voters in the county.

31st Circuit Judicial Surcharge, Section 488.2206, RSMo.

This proposal would authorize a surcharge of up to ten dollars may be collected in all criminal proceedings filed in the Thirty-First Judicial Circuit, if the surcharge was authorized by a county or municipal order, ordinance, or resolution. The moneys collected from the surcharge could only be used for the costs associated with the land assemblage and purchase, construction, maintenance and operation of any county or municipal judicial facility

FISCAL DESCRIPTION (continued)

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

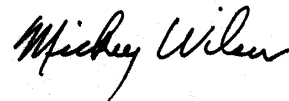
Office of the Secretary of State
Office of State Courts Administrator
Office of the Attorney General
Office of the State Treasurer
Office of Administration
 Division of Budget and Planning
Department of Economic Development
 Public Service Commission
Department of Natural Resources
Department of Public Safety
 Division of Fire Safety
Department of Revenue
 State Tax Commission
Department of Social Services
Office of Prosecution Services
Office of the State Public Defender

SOURCES OF INFORMATION (continued)

Christian County
Cole County
St. Louis County
City of Columbia
City of Jefferson City
City of Kansas City
Marshall Public Library

No responding:

Boone County
City of Springfield
Greene County
Saline County



Mickey Wilson, CPA
Director
May 12, 2014

Ross Strobe
Assistant Director
May 12, 2014