

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0396-01
Bill No.: SB 72
Subject: Annexation; Cities, Towns, and Villages; Counties; St. Louis County
Type: Original
Date: January 30, 2015

Bill Summary: This proposal disincorporates all villages in St. Louis County beginning January 1, 2015 and provides that the area comprising the former villages may not be incorporated or annexed by a city.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
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 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Local Government	(Up to \$2,000,000)	(Up to \$2,000,000)	(Up to \$2,000,000)

FISCAL ANALYSIS

ASSUMPTION

Officials at **St. Louis County** assume if sales tax from the villages come to the County through pool, revenues could increase \$3 million annually. Additional revenues would offset savings by increased costs for services in newly disincorporated areas. There would be an increase in cost for services to support disincorporated areas; however, the impact would be hard to assess. The total cost of Public Safety alone in these areas cost the villages over \$5 million annually in 2012. Costs could increase due to the location of the villages throughout the County and losses would be unknown.

Oversight assumes there is a potential in the future for some savings due to the economies of scale and the duplication of services between St. Louis County and the Villages. Therefore, Oversight will reflect an expenditure for St. Louis County up to \$5 million dollars each year from this proposal.

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

Officials at the **Office of the State Courts Administrator**, the **Office of the State Auditor**, the **State Tax Commission** and the **Office of the Secretary of State** each assume no fiscal impact to their respective agencies from this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
ST. LOUIS COUNTY FUNDS			
<u>Revenue</u> - Disincorporated village's sale tax revenue in St. Louis County	Greater than \$3,000,000	Greater than \$3,000,000	Greater than \$3,000,000
<u>Costs</u> - increase in costs for services to support disincorporated villages in St. Louis County	(Up to <u>\$5,000,000</u>)	(Up to <u>\$5,000,000</u>)	(Up to <u>\$5,000,000</u>)
ESTIMATED NET EFFECT ON ST. LOUIS COUNTY FUNDS	(Up to <u>\$2,000,000</u>)	(Up to <u>\$2,000,000</u>)	(Up to <u>\$2,000,000</u>)

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

Under this act, all villages in St. Louis County are disincorporated beginning January 1, 2015. The disincorporation of the villages is not subject to review by the St. Louis County Boundary Commission. The area comprising the former villages may not be incorporated into a city or village nor may it be annexed by a city.

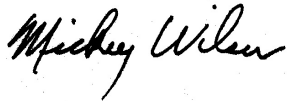
This act requires the St. Louis County executive to appoint for each village a trustee to close the affairs of the village. All money collected by the trustee in the dissolution process is to be paid to the county. The county executive must use the money for the benefit of the village. All books, papers, records, and deeds of the village are to be delivered to the county clerk.

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

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SOURCES OF INFORMATION

Office of the State Courts Administrator
Office of the Attorney General
Office of the Secretary of State
Office of the State Auditor
State Tax Commission
St. Louis County



Mickey Wilson, CPA
Director
January 30, 2015

Ross Strobe
Assistant Director
January 30, 2015