

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0908-01  
Bill No.: Perfected SB 203  
Subject: Auditor, State; Revenue Department; Political Subdivisions, State Departments;  
 Taxation and Revenue - Income  
Type: Original  
Date: March 17, 2015

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Bill Summary: This proposal modifies the authority of the State Auditor with respect to tax returns and grant agreements.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	(\$109,593)	(\$120,564)	\$0
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$109,593)</b>	<b>(\$120,564)</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
<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 7 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<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>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
General Revenue	2 FTE	2 FTE	0
<b>Total Estimated Net Effect on FTE</b>	<b>2 FTE</b>	<b>2 FTE</b>	<b>0</b>

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

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Attorney General's Office, Department of Agriculture, Department of Elementary and Secondary Education, Department of Natural Resources, Department of Labor and Industrial Relations, Department of Public Safety ( Directors Office, Alcohol & Tobacco Control, Gaming Commission, Capitol Police, Missouri Highway Patrol and the Veterans Commission) Office of the Governor, Joint Committee on Administrative Rules, Joint Committee on Public Employee Retirement, Legislative Research, Missouri Lottery Commission, Missouri Consolidated Health Care Plan, Missouri Ethics Commission, Office of the Lieutenant Governor, Department of Transportation, Office of Prosecution Services, Missouri State Employee's Retirement System, MoDOT & Patrol Employees' Retirement System, Office of Administration (Administrative Hearing Commission), Office of the State Courts Administrator, Office of the State Auditor, Missouri Senate, Office of the State Public Defender, Department of Corrections, Department of Revenue, Missouri House of Representatives, Department of Social Services, Office of the Secretary of State, Department of Economic Development, Department of Health and Senior Services, Department of Mental Health, Office of Administration - Division of Budget and Planning, Department of Higher Education, Department of Insurance, Financial Institutions and Professional Registration, Office of the State Treasurer and the State Tax Commission** each assume the proposal will have no fiscal impact on their respective organizations.

Officials from the **Missouri Department of Conservation (MDC)** estimated the proposed legislation would have a negative fiscal impact on the Department funds less than \$100,000 annually.

**Oversight** assumes MDC is provided with core funding to handle a certain amount of activity each year. Oversight assumes MDC could absorb the costs related to this proposal.

### Senate Amendment 1

Officials from the **Office of the State Courts Administrator** assume the amendment will have no fiscal impact on their organization.

In response to a similar proposal (SB 240) from this year, officials from the **Office of the State Treasurer, the Department of Corrections and the Office of the State Public Defender** each assumed the proposal will have no fiscal impact on their respective organizations.

ASSUMPTION (continued)

Officials from the **Attorney General's Office** assume any potential cost arising from this proposal can be absorbed with existing resources.

In response to a similar proposal from last year (SB 61), officials from the **Office of Prosecution Services** assumed the proposal would have no fiscal impact on their organization.

Officials from the **Office of the State Auditor (SAO)** estimate that the required duties in relation to this proposal would require 2 FTE to perform this one-time comparison between the cost of the death penalty cases and first-degree murder cases in which the death penalty is not sought. One FTE would be at the Senior Auditor level and one FTE would be at the Staff Auditor I level.

**Oversight** assumes that this proposal would require the SAO to research and compare the costs of 1<sup>st</sup> degree murder death penalty cases with those in which the death penalty was not sought. Since the report must be completed by June 30, 2017, Oversight will assume no costs in FY '18.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
<b>GENERAL REVENUE</b>			
<u>Cost - SAO</u>			
Personal Service	(\$65,088)	(\$78,887)	\$0
Fringe Benefits	(\$33,849)	(\$41,025)	\$0
Expense and Equipment	(\$10,656)	(\$652)	\$0
<u>Total Cost - SAO</u>	<u>(\$109,593)</u>	<u>(\$120,564)</u>	<u>\$0</u>
FTE Change - SAO	2 FTE	2 FTE	\$0
<b>ESTIMATED NET EFFECT TO THE GENERAL REVENUE</b>	<b><u>(\$109,593)</u></b>	<b><u>(\$120,564)</u></b>	<b><u>\$0</u></b>
Estimated Net FTE Change to the General Revenue Fund	2 FTE	2 FTE	0 FTE
 <u>FISCAL IMPACT - Local Government</u>			
	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

### 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 the extent to which the Auditor may examine state tax returns by removing a provision allowing the Auditor to use and disclose information related to overdue tax debts. Grant agreements entered into as a result of grants received by state agencies and political subdivisions shall include language describing the Auditor's authority to examine and inspect property, equipment and facilities purchased with the grant money.

Senate Amendment 1 requires the State Auditor to make a one-time report on the costs of administering the death penalty. As part of the report, the auditor must compare the costs estimated by the Auditor to be related to cases in which the death penalty is sought and is imposed to the costs for cases in which the death penalty is not sought and the defendant is sentenced to life without parole and cases in which the death penalty is sought, but not imposed. The results must be reported to the Governor, General Assembly, and the Missouri Supreme Court by June 30, 2017.

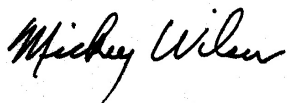
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

### SOURCES OF INFORMATION

Attorney General's Office  
Department of Agriculture  
Department of Economic Development  
Department of Economic Development  
Public Service Commission  
Department of Elementary and Secondary Education  
Department of Higher Education  
Department of Social Services  
Department of Insurance, Financial Institutions and Professional Registration  
Department of Mental Health  
Department of Natural Resources  
Department of Labor and Industrial Relations

SOURCES OF INFORMATION (continued)

Department of Public Safety  
    Alcohol & Tobacco Control  
    Gaming Commission  
    Missouri National Guard  
    Veterans Commission  
    Missouri Highway Patrol  
    Office of the Director  
Department of Revenue  
Department of Social Services  
Office of the Governor  
Joint Committee on Administrative Rules  
Joint Committee on Public Employee Retirement  
Legislative Research  
Missouri Lottery Commission  
Missouri Consolidated Health Care Plan  
Missouri Ethics Commission  
Missouri House of Representatives  
Office of the Lieutenant Governor  
Department of Transportation  
Office of Prosecution Services  
Missouri State Employee's Retirement System  
MoDOT & Patrol Employees' Retirement System  
Office of Administration  
Office of Administration  
    Administrative Hearing Commission  
    Office of Administration - Budget and Planning  
Office of the State Courts Administrator  
Office of the State Auditor  
Missouri Senate  
Office of the State Public Defender  
Office of the State Treasurer  
State Tax Commission



L.R. No. 0908-01  
Bill No. Perfected SB 203  
Page 7 of 7  
March 17, 2015

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