

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1241-05
Bill No.: SCS for SB 266
Subject: Business and Commerce; Cities, Towns, and Villages; Elections
Type: Original
Date: April 17, 2015

Bill Summary: This proposal prohibits municipalities from providing certain services already being provided within the boundaries of the municipality without a vote of the people.

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	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

FISCAL ANALYSIS

ASSUMPTION

In response to a previous version, officials at the **City of Harrisonville** assumed this proposal would require the voters of the City to vote to continue to provide electric service, solid waste service, snow removal service, sidewalk repair, street repair, storm water repair, water line repair, sewer line repair, recreation programs, sports programs, fitness training programs, mowing and tree trimming, all services that the City has provided to its citizens for decades. Because the City is not compelled to earn a profit and is exempt from property and sales tax, the City estimates the proposal will increase the cost of these services to the citizens of the City of 30% if they are provided by the private sector.

Officials at the **Office of the State Auditor**, the **Department of Economic Development**, the **Office of Administration's Division of Accounting** and the **Office of the Secretary of State** each assume no fiscal impact to their respective agencies from this proposal.

Officials at the **Platte County Board of Election Commission**, the **Jackson County Board of Election Commission** and the **St. Louis County Board of Election Commission** each assume no fiscal impact to their respective agencies from this proposal.

Oversight assumes from this proposal that the services currently provided by municipalities may be provided after August 28, 2015. Political subdivisions may not begin to offer certain new services after August 28, 2015, unless the services meet certain criteria. One of those criteria is to be approved by the majority vote of the people. Looking at the State of Missouri, this loss in services that are provided by the local political subdivisions could be \$0 or unknown each year. Also, each competitive service would also need to be put on the ballot and approved by the majority of voters. Such future services could be subject to a ballot measure for local political subdivisions resulting in cost of \$0 or unknown each year.

FISCAL IMPACT - State Government

FY 2016
(10 Mo.)

FY 2017

FY 2018

\$0

\$0

\$0

<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
LOCAL POLITICAL SUBDIVISIONS			
<u>Loss</u> - Local Political Subdivisions - in revenue generated from services provided by locals and cost of future services subject to a ballot measure	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>

FISCAL IMPACT - Small Business

This could have a direct fiscal impact to small businesses as a result of this proposal.

FISCAL DESCRIPTION

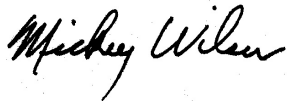
Under this act, beginning August, 28, 2015, no municipality may begin to offer a service that is being offered by at least one provider of solid waste collection, wireless service, broadband or other internet protocol enabled service, video service, telecommunications, gas, electricity, water, or sewer service within the boundaries of the municipality without a vote of the people. This act does not apply to services that a municipality is prohibited to offer by law or services that have an annual fiscal impact of less than \$100,000.

In order to pose the question to voters of whether to authorize the municipality to provide a service otherwise prohibited under this act, the municipality must publicly release a study of the feasibility of offering the service and the financial implications at least 90 days before the election and determine the total estimated cost of the project for the next five years. If the question fails to receive a majority vote, it cannot be resubmitted to voters for two years. If the service is provided by the municipality, this act prohibits financial subsidization of the service from revenue collected from other services offered by the municipality and municipal funds being used to support the service unless the voters approve a specific revenue stream for it. This act does not apply to Kansas City, Springfield, or the City of St. Louis.

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

City of Harrisonville
Office of the State Auditor
Department of Economic Development
Office of Administration
 Division of Accounting
Office of the Secretary of State
Jackson County Board of Election Commission
St. Louis County Board of Election Commission
Platte County Board of Election Commission



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April 17, 2015

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April 17, 2015