

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4489-02
Bill No.: HCS for SB 869
Subject: Political Subdivisions
Type: Original
Date: May 6, 2016

Bill Summary: This proposal modifies provisions relating to political subdivisions.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
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 2017	FY 2018	FY 2019
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Section 70.210

In response to a previous version, officials from the **Office of the Secretary of State (SOS)** stated many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the Governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

In response to a previous version, officials at the **Department of Revenue** assume no fiscal impact from this proposal.

In response to a previous version, officials at **St. Louis County**, the **St. Louis County Board of Election Commission** and the **City of Columbia** each assume no fiscal impact to their respective entities from this proposal.

In response to similar legislation this year, Perfected HB 1421, officials at the **Cole County**, the **Callaway County Commission** and the **City of Kansas City** each assumed no fiscal impact to their respective entities from this proposal.

Sections 99.805, 99.820, 99.825, 99.845

In response to similar legislation this year, SCS for HCS for HB Nos. 1434 & 1600, officials from the **Office of the Secretary of State (SOS)** stated many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the

ASSUMPTION (continued)

SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the Governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials at the **Department of Economic Development** assume this proposed legislation amends the section 99.845 of the TIF statutes to add a single paragraph stating that notwithstanding any other provision of law to the contrary, the adoption of any TIF authorized under 99.800-99.865 shall not supersede, alter, or reduce in any way a property tax levied under section 205.971 - which are property taxes levied for establishing and maintaining a sheltered workshop.

This legislation as written will apply to existing and new TIFs and will require local TIF projects to not be in compliance with 99.845.4 which requires that local TIFs be in compliance with subsections 4-12 regarding payments in lieu of taxes if they want to be eligible for a state TIF. If this legislation is passed it will cause the local TIFs to no longer be in compliance with subsections 4-12, which will cause the local TIFs to no longer qualify for a state TIF. This means that any existing state TIFs that exist where there is also a local property tax for establishing and maintaining a sheltered workshop will have to be rescinded. This may cause an unknown negative impact to the state. As written, the proposed legislation may cause an unknown negative impact to the state because but/for the TIF, the private investment and economic activity may not occur.

Oversight assumes this proposal, notwithstanding any other provision of the law to the contrary, prohibits the adoption of any tax increment financing from superceding, altering, or reducing sheltered workshop property tax levies. Oversight assumes there might be limitations on where tax increment financing occurs indirectly within §205.971, but there would be no direct fiscal impact from this legislation.

In response to a previous version, officials at the **Department of Revenue** and the **Office of the Secretary of State** each assumed no fiscal impact to their respective agencies from this proposal.

ASSUMPTION (continued)

In response to a previous version, officials at the **Callaway County Commission**, the **City of Kansas City** and the **City of Columbia** each assumed no fiscal impact to their respective entities from this proposal.

Section 347.048

In response to similar legislation this year, Perfected HB 1708, officials from the **Office of the Secretary of State (SOS)** stated many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the Governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

In response to similar legislation this year, Perfected HB 1708, officials at the **Office of the State Courts Administrator** assumed no fiscal impact from this proposal.

In response to similar legislation this year, Perfected HB 1708, officials at **St. Louis County**, the **Callaway County Commission** and the **City of Kansas City** each assumed no fiscal impact to their respective entities from this proposal.

Bill as a whole

Officials at the **Office of Administration**, the **Office of the State Treasurer**, the **Office of the State Auditor**, the **Department of Elementary and Secondary Education**, the **Department of Insurance, Financial Institutions and Professional Registration**, the **Department of Social Services**, the **Department of Mental Health** and the **State Tax Commission** each assume no fiscal impact to their respective agencies from this proposal.

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

ASSUMPTION (continued)

Officials at the following counties: Andrew, Atchison, Audrain, Barry, Bollinger, Boone, Buchanan, Camden, Cape Girardeau, Carroll, Cass, Christian, Clay, Cooper, DeKalb, Dent, Franklin, Greene, Holt, Jackson, Jasper, Jefferson, Johnson, Knox, Laclede, Lawrence, Lincoln, Maries, Marion, McDonald, Miller, Mississippi, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Ozark, Perry, Pettis, Phelps, Platte, Pulaski, Scott, Shelby, St. Charles, St. Francois, Taney, Warren, Wayne and Worth did not respond to **Oversight's** request for fiscal impact.

Officials at the following cities: Ashland, Belton, Bernie, Bonne Terre, Boonville, California, Cape Girardeau, Clayton, Dardenne Prairie, Des Peres, Excelsior Springs, Florissant, Frontenac, Fulton, Gladstone, Grandview, Harrisonville, Independence, Jefferson City, Joplin, Kearney, Knob Noster, Ladue, Lake Ozark, Lee Summit, Liberty, Louisiana, Maryland Heights, Maryville, Mexico, Monett, Neosho, O'Fallon, Pacific, Peculiar, Pineville, Popular Bluff, Raytown, Republic, Richmond, Rolla, Sedalia, Springfield, St. Charles, St. Joseph, St. Louis, St. Robert, Sugar Creek, Sullivan, Warrensburg, Warrenton, Webb City, Weldon Spring and West Plains did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

There could be a direct fiscal impact to small businesses as a result of this proposal.

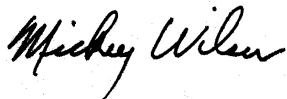
FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

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

Department of Economic Development
Department of Elementary and Secondary Education
Department of Revenue
Office of the State Treasurer
State Tax Commission
Office of the Secretary of State
Callaway County Commission
City of Kansas City
City of Columbia
Department of Mental Health
Department of Social Services
St. Louis County
Cole County
Office of the State Courts Administrator
Department of Insurance, Financial Institutions and Professional Registration
Platte County Board of Election Commission
St. Louis County Board of Election Commission
Office of Administration
Office of the State Auditor



Mickey Wilson, CPA
Director
May 6, 2016

Ross Strope
Assistant Director
May 6, 2016