

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4953-14
Bill No.: Truly Agreed To and Finally Passed CCS #2 for HCS for SS for SCS for SB 572
Subject: Political Subdivisions; Planning and Zoning; Law Enforcement Officers and Agencies; County Government; Courts; Judges; Liability; St. Louis County; Jackson County; Kansas City; Counties
Type: Original
Date: June 10, 2016

Bill Summary: This proposal modifies various provisions regarding municipalities and counties.

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 9 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	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

Section 71.980

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

Sections 77.700, 77.703, 77.706, 77.709, 77.712, 77.715, 79.490, 80.570, 82.133, 82.136, 82.139, 82.142, 82.145, 82.148

In response to a previous version, officials at the **St. Louis County Board of Elections** assumed if a large city petitioned to disincorporate in an even year, it would create additional work to validate signatures on a sizeable petition. The increase in temporary staff would cost somewhere in the range of \$7,500 to \$15,000 to handle the extra validations.

In response to a previous version, officials at **St. Louis County** assumed should a third class city within the County be dissolved, the County would receive revenues from sales tax, utility gross receipts tax and road and bridge taxes that had previously gone to the city. The amount of revenue to be received depends on the city(ies) to be dissolved. The County would incur costs up to \$12,500 per day for publication of the election in a local newspaper, as well as an undetermined amount to hold the election. If the County were to appoint a County employee as trustee, it would cost the County staff time and resources to support that employee. The County would provide municipal-level services to the dissolved city, such as police protection, road maintenance, code enforcement, etc.

Oversight assumes revenues from taxes on a disincorporated city(ies) would be an unknown positive to St. Louis County depending on if one city or multiple cities disincorporate in the same year. Oversight also assumes there would be increased cost to support the disincorporated city(ies) for services such as police, fire, etc. If an election to disincorporate a city(ies) is held, according to Section 77.700.3, notice of the election needs to be given in a newspaper for four weeks. Assuming the notice of the election is run everyday for four weeks, (28 days times \$12,500 per day for publication of the election) this cost would be up to \$350,000 per city. Oversight also assumes there is a potential in the future for some savings due to the economies of scale and eliminating the duplication of services between St. Louis County and the city(ies). Therefore, Oversight will reflect an expenditure for St. Louis County of \$0 (if no city disincorporates) or an unknown amount (for the cost of publication of the election in the newspaper).

ASSUMPTION (continued)

Sections 479.350, 479.353, 479.359, 479.360, 479.368

Officials at the **City of Kansas City** assume the City's reply to LR 4953-06 (SS for SCS for SB 572) remains generally applicable, recognizing that the minimum fine has been increased to \$225 for minor traffic offenses and \$200 to \$400 for nuisance, zoning, etc. cases. The most recent version of the bill attempts to clarify some definitional matters, but does not affect the ultimate significant indirect losses and costs.

Officials at the **City of Independence** assume a loss of \$400,000 in revenue per year from this proposal.

In response to a previous version, officials at the **City of Dardenne Prairie** assumed this proposal could create a fiscal impact but could not quantify it at this time.

In response to a previous version, officials at **St. Louis County** assumed no fiscal impact from this proposal.

In response to a previous version, officials at the **City of Jefferson** assumed this amendment would decrease their original cost from \$40,000 per year to \$10,000 per year.

Bill as a whole

Officials at the **Office of the Attorney General (AGO)** assume under this proposal, the AGO has the duty to review and to determine whether or not a municipality is operating below minimum standards and to file suit to enforce its provisions (Section 67.287.3). The AGO assumes that the costs associated with this proposal can be absorbed with existing resources. The AGO may seek additional resources if there is a significant increase in its caseload.

Officials at the **Office of the State Courts Administrator** assume the proposed legislation modifies various provisions regarding municipalities and counties. There may be some impact but there is no way to quantify that currently. Any significant changes will be reflected in future budget requests.

Officials from the **Office of the Secretary of State (SOS)** state 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 ASSUMPTION (continued)

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 **Office of the State Auditor**, the **State Tax Commission**, the **Department of Revenue**, the **Department of Public Safety's Missouri Highway Patrol**, the **Department of Agriculture** and the **Department of Natural Resources** each assume no fiscal impact to their respective agencies from this proposal.

Oversight inquired with officials at the Department of Revenue regarding the number of payments that have been redirected from local political subdivisions to schools for traffic fines; the annual totals were:

Year	Amount
2011	\$ 19,205
2012	\$ 107
2013	\$ 0
2014	\$ 5,000
2015	\$390,741

Oversight assumes that there are numerous local political subdivisions that could potentially realize more than 20% of their annual general operating revenues due to this legislation adding municipal ordinance violations to the annual general operating revenues calculations. This could result in increased revenues to schools and a loss in revenue to local political subdivisions. Oversight also recognizes there are numerous local political subdivisions that could be affected from limitations placed on fine amounts. Therefore, Oversight assumes a direct fiscal impact to local political subdivisions of a negative unknown.

Officials at the **Callaway County Commission**, the **Jackson County Board of Election Commission**, the **Cole County Sheriff's Department**, the **Springfield Police Department** and the **St. Louis County Justice Services** each assume no fiscal impact to their respective entities from this proposal.

ASSUMPTION (continued)

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

Officials at the following counties: Andrew, Atchison, Audrain, Barry, Bollinger, Boone, Buchanan, Camden, Cape Girardeau, Carroll, Cass, Christian, Clay, Cole, 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, Des Peres, Excelsior Springs, Florissant, Frontenac, Fulton, Gladstone, Grandview, Harrisonville, 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.

FISCAL IMPACT - State Government

FY 2017
(10 Mo.)

FY 2018

FY 2019

\$0

\$0

\$0

<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
LOCAL POLITICAL SUBDIVISIONS			
<u>Revenue</u> - Disincorporated City(ies) tax revenue transferred to St. Louis County (Sections 77.700, 77.703, 770706, 77.709, 77.712, 77.715, 79.490, 80.570, 82.133, 82.136, 82.139, 82.142, 82.145, 82.148)	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Costs</u> - increase in costs for services to support disincorporated city(ies) transferred to St. Louis County (Sections 77.700, 77.703, 770706, 77.709, 77.712, 77.715, 79.490, 80.570, 82.133, 82.136, 82.139, 82.142, 82.145, 82.148)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Costs</u> - publication of election for 4 weeks in newspaper (Sections 77.700, 77.703, 770706, 77.709, 77.712, 77.715, 79.490, 80.570, 82.133, 82.136, 82.139, 82.142, 82.145, 82.148)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Loss</u> - Revenue from adding municipal ordinance violations to the annual general operating revenues calculation limits (Sections 479.350, 479.353, 479.359, 479.360, 479.368)	(Unknown)	(Unknown)	(Unknown)
<u>Loss</u> - Limitations placed on fine amounts (Sections 479.350, 479.353, 479.359, 479.360, 479.368)	(Unknown)	(Unknown)	(Unknown)
<u>Revenue</u> - School Districts - increase in revenue from excess annual general operating revenues received (Sections 479.350, 479.353, 479.359, 479.360, 479.368)	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

Sections 77.700, 77.703, 77.706, 77.709, 77.712, 77.715, 79.490, 80.570, 82.133, 82.136, 82.139, 82.142, 82.145, 82.148

This proposal decreases the number of signatures required on a petition to disincorporate a city of the fourth class or a village in St. Louis County from 50% to 25% of voters, and decreases the voter approval percentage for disincorporation from 60% to 50% plus one voter.

Sections 479.350, 479.353, 479.359, 479.360, 479.368

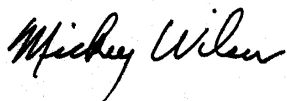
This act changes the definition for minor traffic violation to include traffic ordinance violations for which no points are assessed to a driver's driving record and amended charges for any minor traffic violation and adds a definition for municipal ordinance violations. Municipal ordinance violations and amended charges for municipal ordinance violations are added to the calculation limiting the percentage of annual general operating revenue that can come from fines and court costs for minor violations and to provisions regarding fines, imprisonment, and court costs in municipal court cases.

Additionally, the maximum allowable fine for minor traffic violations and municipal ordinance violations has been lowered from three hundred dollars to two hundred dollars and no court costs shall be charged to defendants found to be indigent. Municipal courts are also required to not charge defendants for costs associated with community service alternatives. Municipal ordinance violations are also added to municipal disincorporation provisions if a municipality fails to remit excess annual general operating revenue to the Department of Revenue for the county school fund and the disincorporation threshold has been lowered from sixty percent to a majority of participating voters.

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 Attorney General
Office of the Secretary of State
Department of Public Safety
 Missouri Highway Patrol
Office of the State Courts Administrator
Office of the State Auditor
State Tax Commission
Department of Revenue
St. Louis County Board of Elections
Jackson County Board of Election Commissioners
Platte County Board of Election Commissioners
St. Louis County
Callaway County Commission
City of Kansas City
City of Columbia
City of Jefferson
City of Dardenne Prairie
City of Independence
Department of Natural Resources
Springfield Police Department
St. Louis County Justice Services
Department of Agriculture
Cole County Sheriff's Department



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