

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5160-02
Bill No.: HCS for HB 1912
Subject: Counties; County Government; County Officials
Type: Original
Date: February 19, 2016

Bill Summary: This proposal changes the law regarding erection of public buildings so that county commissions no longer need to appoint superintendents for that purpose but can instead contract for services to oversee and direct the execution of a building project.

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 5 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

Officials at **Cole County** assume this legislation has potentially both positive and negative fiscal impacts to Cole County. Specifically, the changes to section 50.660.1 that raise the competitive bidding amount requirement would save the County money in advertising for bids. However, the change to the requirement that contracts be in writing and signed by the auditor to only those over \$10,000 has the potential to expose the County to extra liability and negative financial impact, in that it impairs the County's defense in cases where unauthorized employees and officials make purchases that create a financial obligation to the County but which are not in the budget. Cole County has had this situation in the past where individuals made unauthorized purchases of goods and services that exceeded budgetary allotments, and the County was able to defend itself from these claims because the purchases were not in writing signed by the Commission and the County Auditor.

Officials at the **Office of Administration's Division of Facilities Management, Design and Construction** assume no fiscal impact from this proposal.

Officials at **St. Louis County** assume no fiscal impact from this proposal.

In response to a previous version, officials at the **Callaway County Commission** assumed no fiscal impact from this proposal.

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.

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

FISCAL IMPACT - Local Government

FY 2017
(10 Mo.)

FY 2018

FY 2019

COUNTY FUNDS

Savings - raises the amount when
 advertising for bids \$50.660

Unknown

Unknown

Unknown

**ESTIMATED NET EFFECT ON
 COUNTY FUNDS**

Unknown

Unknown

Unknown

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This bill eliminates the position of superintendent of county buildings and specifies that the county commission will assume some of the superintendent's duties and the commission can contract for oversight and direction of the execution of a building project.

This bill establishes a minimum threshold of \$10,000 above which contracts and orders must be in writing and must have a matching unencumbered balance in the fund from which it will be made. Currently, all contracts must meet these requirements. This bill increases the threshold from \$6,000 to \$10,000 below which advertising is not required for bid proposals and increases the threshold from \$4,500 to \$10,000 below which bids are not required for purchases from any one person or entity during a fiscal year.

Currently, a county commission may waive competitive bidding when it determines in writing and enters into the commission's minutes that there is only one feasible source for the supply. The commission must post notice for proposed purchases of \$3,000 or more and also advertise in the newspaper for purchases of \$5,000 or more. The bill changes the notice threshold to more than \$5,000 but less than \$10,000, and changes the advertising threshold to \$10,000. The bill changes from a misdemeanor to an infraction a violation by county commissioners of the requirement to obtain a pre-purchase order or requisition, and changes the allowable fine from between \$50 to \$1,000 to \$100.

This bill repeals the requirement that auditors in counties of the first and second classification must countersign all liquor licenses; clarifies that county commissions can amend zoning districts only upon recommendation by the county planning or county zoning commission and only after a hearing by the county commission; and prohibits county collectors or the collector of taxes in the

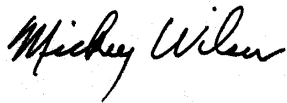
FISCAL DESCRIPTION (continued)

city of St. Louis from issuing a refund or credit for taxes erroneously or mistakenly levied against a taxpayer without authorization from a county commission, board of equalization, or court of competent jurisdiction.

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 Administration
Division of Facilities Management, Design and Construction
St. Louis County
Callaway County Commission
Cole County



Mickey Wilson, CPA
Director
February 19, 2016

Ross Strobe
Assistant Director
February 19, 2016