

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6051-07
Bill No.: HCS for SS for SB 937
Subject: Courts; Prisons and Jails; Taxation and Revenue - Sales and Use; Political Subdivisions
Type: Original
Date: May 6, 2016

Bill Summary: Modifies laws relating to political subdivisions.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	(Up to \$447,616)	(Up to \$2,398,080)	(Up to \$2,393,839)
Total Estimated Net Effect on General Revenue	(Up to \$447,616)	(Up to \$2,398,080)	(Up to \$2,393,839)

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

* Transfer in from General Revenue and Fees minus costs net to zero.

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 18 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
Multipurpose Water Resource Program	3 FTE	3 FTE	3 FTE
Total Estimated Net Effect on FTE	3 FTE	3 FTE	3 FTE

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 or More than \$7,161,500	\$0 or More than \$31,120,810	\$0 or More than \$31,336,590

FISCAL ANALYSIS

ASSUMPTION

§66.620 Distribution of Local Sales Tax

In response to a prior version of the proposal, officials at the **Office of Administration's Division of Budget and Planning (B&P)** assume this alters how the Department of Revenue distributes local sales taxes to municipal governments in St. Louis County. This proposal would not fiscally impact General and Total State Revenue. B&P defers to the Department of Revenue for any programming or administrative costs.

In response to a prior version of the proposal, officials at the **Department of Revenue (DOR)** assumed that beginning January 1, 2017, if revenue is less than that collected in 2014, the DOR distributes to all Group A and B cities, towns, and villages a portion of taxes based on the formula in Subsection 66.620.4. Beginning January 1, 2017, if sales tax revenues are equal to or greater than that of 2014, the Department distributes to Group A cities, towns, and villages, based on the location where the sales are consummated under Section 66.630 and Subsection 32.087.12 based on the formula in Subsection 66.620.5. Once the Department distributes funds to Group A entities, it must distribute funds to Group B entities following guidelines in Subsection 66.620.5.

DOR's Sales Tax Division will require change in the distribution to Group B cities in St. Louis County to ensure each city receives no less than 50 percent of the tax generated within that city, rather than relying solely on the distribution from the pool. Currently, St. Louis County takes care of the distribution, so unless they agree to continue to perform this action, the Department will need to completely establish the distribution for Group B cities.

DOR's Integrated Tax System would need changes resulting in a cost of \$65,510.

In response to a prior proposal, officials at the **St. Louis County** assumed this proposal would cost the county \$200,000. The cost would be due to computer reprogramming. Additionally, this would result in a loss of \$1.5 million annually due to the redistribution of the tax.

Oversight assumes this proposal would have no **net** effect on local governments although individual cities may receive more or less revenue than is the case under current provisions.

Oversight assumes this proposal requires the DOR to distribute sales tax collections, therefore the cost cited by St. Louis County has not been included in this fiscal note, and the computer programming cost cited by the DOR is included in this fiscal note.

ASSUMPTION (continued)

In response to a prior version of the proposal, officials at the **Joint Committee on Administrative Rules** and the **Office of the Secretary of State** each assumed there is no fiscal impact from this proposal to their respective agency.

§67.1360 Archie Tourism Tax

In response to a prior version of the proposal, officials at the **Office of the Secretary of State**, the **B&P**, the **DOR**, the **Department of Economic Development** and the **Joint Committee on Administrative Rules** each assumed no fiscal impact to their respective agencies from this proposal.

In response to a prior version of the proposal, officials at **Cass County** responded to Oversight's request but did not provide information on fiscal impact.

Oversight notes this proposal would allow the City of Archie to impose a transient guest tax, upon voter approval, for the promotion of tourism; however, Oversight has no information as to the number of facilities nor to the rental revenues which would be subject to the tax.

Oversight notes the election to approve the tax could be held as early as April 2017 (FY 2017); the earliest the tax could then become effective by certification would be 2 weeks after the election, so in this case late April or early May of 2017.

Oversight will assume the election would be held at the first opportunity, and will include election costs in FY 2017 for this proposal from \$0 (no election held) or Unknown. Oversight will also indicate additional tax revenues for FY 2018 and FY 2019 of \$0 (no taxable entities, no election held, or the voters disapprove the tax) or Unknown.

§67.1790 Greene County Early Childhood Sales Tax

Officials from the **B&P** assume this proposal would allow voters in Greene County, as well as cities in that county, to impose a sales tax up to 0.25% for early childhood education purposes. B&P officials stated that according to Department of Revenue (DOR) reports, taxable sales in Greene County totaled \$4,684.4 million in fiscal year 2015. Therefore, this sales tax might generate $(\$4,684,000,000 \times .0025) = \11.7 million annually for the county, and additional amounts might be generated if cities in the county separately approve this tax.

ASSUMPTION (continued)

B&P officials stated the revenues collected would have no impact on General and Total State Revenues; however, 1% would be retained in the General Revenue Fund to offset DOR collection costs. Therefore, General and Total State Revenues could increase by \$0.1 million if the county sales tax is approved.

B&P officials deferred to DOR for estimates of actual collection costs

Although they did not respond to our request for information, officials from the **DOR** provided a response to a similar proposal (SB 753) which did not indicate a fiscal impact for their organization.

Oversight assumes DOR could absorb any cost to implement this proposal with existing resources.

OA-ITSD officials provided an estimate of the IT cost of \$21,762 to implement the proposal based on 167 hours of programming to DOR systems.

Oversight assumes OA - ITSD (DOR) is provided with core funding to handle a certain amount of activity each year and could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, OA - ITSD (DOR) could request funding through the appropriation process.

In response to similar language in another proposal in a prior session, (SB 947, 2014) officials from the **Republic School District** assumed a 1/4 cent sales tax would generate approximately \$500,000 in additional revenue. School district officials also stated at the time it is uncertain what this sales tax would generate for the Republic School District in the municipalities that include other school districts within their boundaries. These municipalities include Springfield and Battlefield.

Officials from the **Department of Elementary and Secondary Education (DESE)** assume that, contingent upon the actions of voters (and subsequently the governing bodies of Greene County and cities within) this proposal would have an impact on the revenues received into the "Early Childhood Education Sales Tax Trust Fund"; however, DESE has no means to calculate the potential impact.

Oversight assumes the B&P estimate is the best available and for fiscal note purposes, will use the B&P estimate. Oversight will indicate a range of additional local government revenue from \$0 (no local government approves the sales tax) to more than \$11.7 million per year (the county and one or more other local governments approve the sales tax.)

ASSUMPTION (continued)

Oversight notes the election to approve the sales tax could be held in April 2017 (FY 2017) or in November 2016 (FY 2017); the earliest the sales tax could become effective would be the first day of the second calendar quarter after the Department of Revenue is notified of voter approval. In this case, the earliest effective date assuming voter approval at the November 2016 general election would be April 1, 2017 (FY 2017).

Oversight will assume the election would be held at the first opportunity. Since there will be a general election in November of 2016, additional election costs due to this proposal are assumed to be \$0.

§94.860 St. Louis County Retail Sales Tax for Law Enforcement

In response to a similar proposal, SB 834, officials at the **B&P** assumed the proposal allows St. Louis County, upon voter approval, to implement a retail sales tax in unincorporated St. Louis County for the purpose of providing law enforcement services. The proposal will increase Total State Revenues by an unknown amount equal to Department of Revenue's fee for collection. B&P defers to DOR for any change in programming or administrative costs for the change in distribution

In response to a similar proposal, SB 834, officials at the **DOR** assumed §94.860 allows the imposition of a new local tax in St. Louis County of up to one-half of one percent (0.5%) to provide law enforcement services in the county. DOR assumes the Sales Tax Division will have approximately 25,000 rate change letters to send to businesses and taxpayers at a cost of \$13,875 and Integrated Tax System updates to reflect the new sales tax at a cost of \$103,334. Oversight assumes DOR could provide the information to taxpayers and businesses through regularly scheduled DOR communications including the department website and will not include those costs in this fiscal note.

In response to a similar proposal, SB 834, officials at the **St. Louis County** assumed that if this proposal is approved by voters, it would generate \$16 million annually.

Additionally, if voted on during the August or November election there would be no additional cost to the county. However, if placed on the April ballot then the cost would be \$176,300 and if a special election is called then the cost would be \$268,750.

ASSUMPTION (continued)

Oversight assumes the vote would occur during an August or November election date and there would be no additional cost to the county for the election.

In response to a similar proposal, officials at the **Joint Committee on Administrative Rules and Office of the Secretary of State** each assumed there is no fiscal impact from this proposal to their respective agency

§94.902 Liberty & North Kansas City Public Safety Sales Tax

In response to a similar proposal from 2015 (HB 566), officials from the **City of Liberty** stated their estimate of revenue from a one-half cent sales tax would be approximately \$1,700,000 per year and the election cost would be approximately \$30,000. City officials did not indicate any additional cost to their organization to implement this proposal, and **Oversight** assumes any additional cost could be absorbed with existing resources. Oversight will include the city's estimated municipal election cost in this fiscal note.

Officials from the **City of North Kansas City** stated their estimate of revenue from a one-half cent sales tax would be approximately \$1,600,000 each year if the entire half-cent sales tax was levied. City officials did not indicate any additional cost to their organization to implement this proposal, and **Oversight** assumes any additional cost could be absorbed with existing resources. The city did not provide an estimate of election costs for this proposal, and Oversight will include an unknown but less than \$100,000 estimated election cost in this fiscal note for the city.

Officials from the **B&P** noted the proposal would allow voters in certain cities to approve a sales tax up to ½ of one percent to improve public safety of the city.

B&P officials provided information indicating taxable sales in Liberty totaled \$404.8 million in FY 2015. Therefore, B&P officials estimated the proposed sales tax could generate up to \$1 million for FY 2017 and \$2 million annually thereafter. B&P noted the Department of Revenue can keep up to 1% of collections to offset costs, and therefore B&P estimates Total State Revenue and General Revenue increases could be as much as \$10,000 in FY2017 and \$20,000 per year thereafter if the sales tax is approved.

B&P officials provided information indicating taxable sales in the City of North Kansas City totaled \$320 million in FY 2015. Therefore, B&P officials estimated the proposed sales tax could generate up to \$800,000 for FY 2017 and \$1.6 million annually thereafter. B&P noted the Department of Revenue can keep up to 1% of collections to offset costs, and therefore B&P estimates Total State Revenue and General Revenue increases could be as much as \$8,000 in FY2017 and \$16,000 per year thereafter if the sales tax is approved

ASSUMPTION (continued)

For simplicity, **Oversight** will not include the one percent additional collection deduction in this fiscal note.

Oversight assumes the B&P revenue estimates for this proposal are the best estimates available and will use those estimates for this fiscal note. Oversight assumes the additional revenues would be spent for public safety purposes and will also include additional cost for local governments equal to the additional revenue in this fiscal note.

Oversight also assumes the proposals could be submitted to the voters as early as the April, 2017 (FY 2017) municipal elections. If a sales tax is approved by the voters, it would become effective on the first day of the second calendar quarter after the election. The proposed sales tax could therefore become effective as early as October 1, 2017 (FY 2018).

For fiscal note purposes, **Oversight** will assume the election would be held with the April, 2017 municipal elections and sales tax could be collected from October 1, 2017 to June 30, 2018 (FY 2018). Oversight is also aware there is some delay in collecting, reporting, accounting, and remitting sales tax to local governments; however, we will indicate revenue up to nine months (75%) of the annual estimate for FY 2018.

For the City of Liberty, the estimate would be $(\$2,024,000 \times .75) = \$1,518,000$, and for FY 2019 and following years, the sales tax revenue estimate would be \$2,024,000.

For the City of North Kansas City, the estimate would be $(\$1,600,000 \times .75) = \$1,200,000$ (rounded) and for FY 2019 and following years, the sales tax revenue estimate would be \$1,600,000.

Finally, **Oversight** notes this proposal would allow, but not require, the cities to propose a public safety sales tax to the voters, and the fiscal impact will be presented as \$0 (no election held) or the estimated election costs above and \$0 (no election or voters do not approve the sales tax) or the estimated sales tax revenue above.

Officials from the **DOR** stated this proposal would authorize these cities to impose a one-half percent sales tax for improving public safety but would have no impact on their organization.

DOR officials provided an estimate of the IT cost to implement the proposal of \$5,200 based on 40 hours of programming at \$130 per hour to make changes to DOR systems.

ASSUMPTION (continued)

Oversight assumes OA - ITSD (DOR) is provided with core funding to handle a certain amount of activity each year, and assumes OA - ITSD (DOR) could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, OA - ITSD (DOR) could request funding through the budget process.

§99.820 Tax Increment Financing

In response to a previous version, officials at the **City of Independence**, **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.

§135.620 Homeless Shelter Income Tax Credit

Officials at the **B&P** assume this proposal would create a tax credit for taxpayers that donate at least \$100 to a homeless shelter, beginning January 1, 2017. Taxpayers can claim a tax credit for an amount equal to 50% of their contribution, but the amount cannot exceed their state tax liability for the year or \$50,000. Issuances of these tax credits are capped at \$2,500,000 annually. This proposal could, therefore, reduce General Revenues by up to \$2,500,000 annually beginning in FY18.

Officials at the **DOR** assume beginning January 1, 2017, taxpayers may claim a tax credit for 50 percent of the donation to a homeless shelter. No one taxpayer may claim more than \$50,000 per tax year. The Director of the Department of Social Services must annually classify which facilities are homeless shelters and establish a procedure for apportionment among all homeless shelters. The legislation sets the cumulative amount of tax credits at no more than \$2.5 million.

DOR would incur costs of \$130,712 to change the integrated tax system to implement the provisions of this proposal.

Personal Tax requires one (1) Revenue Processing Technician I for every 6,000 credits claimed. Corporate Tax requires one (1) Revenue Processing Technician I for every 4,000 credits redeemed.

Oversight assumes the duties outlined in this proposal can be handled by current staff. Should DOR see an increase in responsibilities to justify additional FTE, they can seek those FTE through the appropriation process.

Officials at the **State Tax Commission** assume no fiscal impact from this proposal to their organization.

ASSUMPTION (continued)

In response to a similar proposal from this year (HB 2297), officials from the **Department of Social Services (DSS)** assumed no fiscal impact from this part of the proposal.

Oversight assumes this proposal begins with tax years starting January 1, 2017, and therefore, the first time this would be claimed on a taxpayer's tax return would be FY 2018. Oversight will reflect the impact as \$0 (no credits claimed) to the \$2.5 million annual cap

§182.802 Cedar County Library Sales Tax

In response to similar legislation filed the year (HB 2271) officials from the **B&P** assumed this proposal allows the voters in Cedar County to impose a sales tax up to .5% for library funding purposes. According to information published by Department of Revenue, taxable sales in Cedar County totaled \$92.3 million in fiscal year 2015. Therefore, this sales tax might generate \$462,000 annually.

Oversight assumes an effective date of April 1, 2017, for the effective date of the proposal, assuming voter approval on a November 2016 election date.

Oversight will use a range of \$0 (rejected by voters) or up to \$462,000 (voters could decide to adopt a .25% or .5% local sales tax).

§192.300 County Health Centers

Oversight assumes no fiscal impact.

§205.205 Barton County Hospital Sales Tax

Officials from **Barton County Memorial Hospital** reported that under current taxing provisions, property taxes generate annual revenue of approximately \$776,000 annually. Under the proposal, the annual property tax receipts could be replaced by annual sales tax receipts.

Oversight assumes the earliest possible election date to be November of 2016, and if voters approve the measure, the repeal of property taxes becomes effective on December 31, 2016 and the sales tax shall become effective on April 1, 2017. Oversight will range the fiscal impact to Barton County from \$0 (either the proposal is not submitted to voters or the voters reject the proposal) to the estimated loss in property taxes and offsetting increase in sales tax revenue.

§221.407 Regional Jail District

Officials at the **B&P**, the **Office of the State Auditor** and the **Office of the State Treasurer** each assume no fiscal impact to their respective agencies from this proposal

ASSUMPTION (continued)

In response to similar legislation from 2015 (HCS for HB 639), officials at the **DOR**, and the **State Tax Commission** each assumed no fiscal impact to their respective agencies from this proposal

§ 256.437, 256.438, 256.440, 256.443 and 256.447 Department of Natural Resources
Officials from the **Department of Natural Resources** would request one (1) Engineer III, one (1) Planner II, and one (1) Accounting Specialist III to support project review, planning, administration and oversight of the Multipurpose Water Resource Program Fund. This is based on department knowledge of financial assistance administration and operation of grant programs for planning and infrastructure development. At a minimum, this program requires engineering review, accounting oversight, and planning expertise.

For purposes of this fiscal note, the department has assumed the funding source of this proposal would be General Revenue to the Multipurpose Water Resource Program Fund created by this proposal. The existing Multipurpose Water Resource Program Renewable Water Program Fund has never had money appropriated to it and has a balance of \$0. Once the program is up and running, it would most likely take a number of years before any revenues would cover the costs of activities to implement this proposal.

Oversight will show a fiscal impact for the new positions with costs related to equipment and expenses for these positions beginning with FY17 because the proposal contains an emergency clause. And Oversight will assume there will not be any contribution fees generated in FY17.

Oversight will show a \$0 or costs Up to \$220,270 for FY18 and a \$0 or costs Up to \$222,249 for FY19 to General Revenue. This reflects the impact of contribution fees generated for participation in the program which would reduce the amount needed to be transferred from General Revenue to the Multipurpose Water Resource Program Fund for personnel costs.

Oversight will show a positive \$0 or Up to \$220,270 for FY18 and a positive \$0 or Up to \$222,249 for FY19 to the Multipurpose Water Resource Program Fund as a transfer from General Revenue. Also, Oversight will show a positive \$0 or Up to \$220,270 for FY18 and a positive \$0 or Up to \$222,249 for FY19 to the Multipurpose Water Resource Program Fund as revenue generated from contribution fees for participation in the program.

Oversight will show a \$0 impact to the Multipurpose Water Resource Program Fund because it is assumed that the revenue received from General Revenue and contribution fees deposited directly to the Multipurpose Water Resource Program Fund combined will equal the costs of the program.

ASSUMPTION (continued)

§321.246 Ripley County Fire Protection District Sales Tax

Oversight notes the proposal authorizes a sales tax of up to one-half of one percent dedicated to the rural fire protection district in Ripley County upon voter approval

Based upon information listed on the website of the **Office of State Auditor**, during the fiscal year ended June 30, 2015, Ripley County collected \$1,053,440 in sales tax revenue based upon a 2% rate (1% General Revenue Fund, ½% Street Fund, and ½% Capital Improvement Fund). Assuming the fire protection district completely covers Ripley County, a one-half cent sales tax on sales would generate tax revenue of approximately \$263,000 annually.

Oversight will assume the election would be held at the first opportunity. Since there will be a general election in November 2016, additional election costs due to this proposal are assumed to be \$0. In addition, if the voters of Ripley County pass this sales tax measure, the earliest that taxes could begin to be collected would be April 1, 2017. Therefore, taxes would only be collected for 3 months of FY 2017 (April - June).

§488.2206 Court Cost Surcharge

Oversight assumes this proposal allows any single noncharter county judicial circuit to collect a court surcharge up to ten dollars to be used towards the maintenance and construction of judicial facilities. The county or municipality shall establish and maintain a separate account known as the "Justice Center Fund". Without a response from the Office of the State Courts Administrator, Oversight is unclear how much of a surcharge would be collected from this proposal. Therefore, Oversight will show an unknown amount of surcharge collected by the judicial circuits.

§644.021 Clean Water Commission

Oversight assumes this proposal has no fiscal impact.

§1 Residential Rental Property

Oversight assumes this would prohibit entities from changing their definition of residential rental property. Oversight assumes this would not have a fiscal impact.

Bill as a whole:

For simplicity, **Oversight** will lump the 1% collection fee from the new potential sales taxes.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
GENERAL REVENUE FUND			
<u>Income-DOR - § Various</u>			
Collection fee of 1%	\$0 or \$73,000	\$0 or \$322,190	\$0 or \$328,410
<u>Cost - DOR</u>			
Computer programming §66.620	\$0 or(\$65,510)	\$0	\$0
Computer programming §94.860	\$0 or (\$103,334)	\$0	\$0
Integrated tax system changes §135.620	(\$130,712)	\$0	\$0
<u>Revenue Reduction - tax credit for contributions made to homeless shelter §135.620</u>			
	\$0	\$0 to (\$2,500,000)	\$0 to (\$2,500,000)
<u>Transfer Out - to Multipurpose Water Resource Program Fund - DNR §256.437, §256.438, §256.440, §256.443 and §256.447</u>			
	(\$221,060)	\$0 or Up to (\$220,270)	\$0 or Up to (\$222,249)
ESTIMATED NET EFFECT GENERAL REVENUE FUND	(Up to <u>\$447,616</u>)	(Up to <u>\$2,398,080</u>)	(Up to <u>\$2,398,839</u>)

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2017 (10 Mo.)	FY 2018	FY 2019
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**MULTIPURPOSE WATER
 RESOURCE PROGRAM FUND**

<u>Revenue</u> - Contribution Fees - §256.437, §256.438, §256.440, and §256.443	\$0	\$0 or Up to \$220,270	\$0 or Up to \$222,249
<u>Transfer In</u> - from General Revenue - §256.437, §256.438, §256.440, and §256.443	\$221,060	\$0 or Up to \$220,270	\$0 or Up to \$222,249
<u>Costs</u> - §256.437, §256.438, §256.440, and §256.443			
Personnel	(\$119,740)	(\$145,125)	(\$146,576)
Fringe Benefits	(\$57,943)	(\$69,924)	(\$70,321)
Equipment and Expenses	(\$43,377)	(\$5,221)	(\$5,352)
Total Costs	<u>(\$221,060)</u>	<u>(\$220,270)</u>	<u>(\$222,249)</u>
FTE Change - DNR	3 FTE	3 FTE	3 FTE

**ESTIMATED NET EFFECT ON
 MULTIPURPOSE WATER
 RESOURCE PROGRAM FUND**

	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Estimated Net FTE Change on Multipurpose Water Resource Program Fund	3 FTE	3 FTE	3 FTE

FISCAL IMPACT - Local Government FY 2017 FY 2018 FY 2019
 (10 Mo.)

POLITICAL SUBDIVISIONS FUNDS

Additional Revenue - §66.620, some cities in St. Louis County may receive additional sales tax revenue Unknown Unknown Unknown

Revenue Reduction - §66.620 some cities in St. Louis County may receive less sales tax revenue (Unknown) (Unknown) (Unknown)

Revenue Reduction - §66.620 St. Louis County may receive less sales tax revenue (Unknown) (Unknown) (Unknown)

Revenue - Archie - Tourism Tax §67.1360 \$0 \$0 or Unknown \$0 or Unknown

Revenue - Greene County - Sales Tax §67.1790 \$0 to More than \$2,925,000 \$0 to More than \$11,700,000 \$0 to More than \$11,700,000

Revenue - St. Louis County - Law Enforcement Sales Tax §94.860 \$0 or up to \$4,000,000 \$0 or up to \$16,000,000 \$0 or up to \$16,000,000

Revenue - City of Liberty Sales Tax §94.902 \$0 \$0 or up to \$1,818,000 \$0 or up to \$2,040,000

Revenue - City of North Kansas City Sales Tax §94.902 \$0 \$0 or up to \$1,200,000 \$0 or up to \$1,600,000

Revenue - Cedar County Library sales tax §182.802 \$0 or up to \$115,500 \$0 or up to \$462,000 \$0 or up to \$462,000

Revenue - Barton County Hospital sales tax §205.205 \$0 or \$194,000 \$0 or \$776,000 \$0 or \$776,000

<u>FISCAL IMPACT</u> - Local Government (continued)	FY 2017 (10 Mo.)	FY 2018	FY 2019
<u>Revenue</u> - Ripley County Fire Protection District sales tax §321.246	\$0 or up to \$65,750	\$0 or up to \$263,000	\$0 or up to \$263,000
<u>Revenue</u> - \$10 surcharge on cases in the single noncharter county judicial circuits §488.2206	Unknown	Unknown	Unknown
<u>Cost</u> -DOR - §94.860 Collection fee of 1%	\$0 or (\$73,000)	\$0 or (\$322,190)	\$0 or (\$328,410)
<u>Cost</u> - Elections	\$0 or Unknown	\$0	\$0
<u>Loss</u> -Barton County Property Tax §205.205	\$0	\$0 or (\$776,000)	\$0 or (\$776,000)
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISION	\$0 or More than <u>\$7,161,500</u>	\$0 or More than <u>\$31,120,810</u>	\$0 or More than <u>\$31,336,590</u>

FISCAL IMPACT - Small Business

Small businesses could be affected by provisions of this proposal which govern definitions of residential real property and eliminate the possibility of dual requirements for occupancy permits and business rental licenses..

FISCAL DESCRIPTION

Currently, regional jail districts are authorized to impose a sales tax of up to ½% on sales in the district. The authority to impose this tax expires on September 30, 2015. This act extends the authority of the districts to collect the tax until September 30, 2027. This act also allows the director of revenue to make refunds instead of allowing the director of revenue to authorize the state treasurer to make refunds.

FISCAL DESCRIPTION (continued)

Cities of Archie and Lake Winnebago transient guest tax (section 67.1360) - this proposal adds Archie and Lake Winnebago to the list of cities that may impose a transient guest tax subject to voter approval. This tax consists of an amount between 2% and 5% per occupied room per night for purposes of promoting tourism.

Greene County sales tax (section 67.1790) - this amendment authorizes Greene County or any city within Greene County to impose a sales tax not to exceed .25% on all retail sales within the county or city for the purpose of funding early childhood education subject to voter approval.

Liberty and North Kansas City sales tax for public safety (section 94.902) - this amendment authorizes Liberty and North Kansas City to impose a sales tax of up to .5% solely for the purpose of improving the public safety of the city subject to voter approval. Revenue from this tax may be used for expenditures on equipment, salaries and benefits, and facilities for police, fire, and emergency medical providers.

Sales tax for Cedar county library (section 182.802) - this amendment authorizes Cedar county to impose a local sales tax up to .5% for funding a public library district.

County health ordinances (section 192.300) - under current law, both county commissions and county health center boards may make and establish orders, ordinances, rules or regulations under certain circumstances, but cannot conflict with any rules or regulations of the department of health and senior services or the department of social services. This amendment requires the county commission and the county health center board to be in concurrence when establishing health orders, ordinances, rules or regulations, except in the case of an emergency.

Barton county sales tax for a hospital district (section 205.205) - this proposal authorizes Barton county to repeal a property tax and replace it with a sales tax of up to 1% for the funding of a hospital district subject to voter approval.

Regional Jail District Sales Tax (Section 221.407) - This proposal extends the expiration date of the provisions authorizing the commission of any regional jail district to submit a ballot proposal imposing a region-wide sales tax for the purpose of funding a regional jail to September 30, 2028.

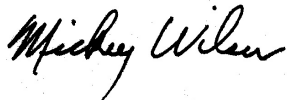
Fire protection district sales tax for Ripley county (section 321.242 and 321.246) - This proposal authorizes the fire protection district in Ripley county to impose a sales tax not to exceed 0.5% for the purpose of providing revenues for the operation of the fire protection district subject to vote approval.

FISCAL DESCRIPTION (continued)

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

Barton Memorial Hospital
Callaway County
Cass County
City of Independence
City of Kansas City
City of Liberty
City of North Kansas City
Department of Economic Development
Department of Elementary and Secondary Education
Department of Revenue
Joint Committee on Administrative Rules
Office of Administration
 Division of Budget and Planning
Office of the Secretary of State
Office of the State Auditor
Office of the State Tax Commission
Office of the State Treasurer
Republic School District
St. Louis County



Mickey Wilson, CPA
Director
May 6, 2016

Ross Strobe
Assistant Director
May 6, 2016